

# H. R. 3153

---

## IN THE SENATE OF THE UNITED STATES

NOVEMBER 30, 1973

Ordered to be printed with the amendments of the Senate

[Strike out all after the enacting clause and insert the part printed in italic]

---

## AN ACT

To amend the Social Security Act to make certain technical  
and conforming changes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 228(d)(1) of the Social Security Act is  
4       amended by inserting "or supplemental security income bene-  
5       fits under title XVI (as in effect after December 31, 1973)," ~~and~~  
6       after "IV,".

7       SEC. 2. Title XI of the Social Security Act is amended—  
8       (1)(A) by striking out "I," "X," "XIV," and  
9       "XVI," in section 1101(a)(1), and  
10       (B) by adding at the end of section 1101(a)(1) the  
11       following new sentence: "In the case of Puerto Rico,

1 the Virgin Islands, and Guam, titles I, X, and XIV, and  
 2 title XVI as in effect without regard to the amendment  
 3 made by section 301 of the Social Security Amendments  
 4 of 1972, shall continue to apply, and the term 'State'  
 5 when used in such titles (but not in title XVI as in effect  
 6 pursuant to such amendment after December 31, 1973)  
 7 includes Puerto Rico, the Virgin Islands, and Guam.”;

8 (2) by striking out “I, X, XIV, XVI,” in section  
 9 1193 and inserting in lieu thereof “XVI”;

10 (3) by striking out “I, X, XIV, and” in section  
 11 1111;

12 (4) (A) by striking out “I, X, XIV, XVI,” in the  
 13 matter preceding clause (a) in section 1115, and insert-  
 14 ing in lieu thereof “VI, XVI,”

15 (B) by striking out “section 2, 402, 1002, 1402,  
 16 1602, or” in clause (a) of such section and inserting in  
 17 lieu thereof “title VI, part A of title IV, or section”,  
 18 and

19 (C) by striking out “3, 403, 1003, 1403, 1603,”  
 20 in clause (b) of such section and inserting in lieu thereof  
 21 “403, 603,”;

22 (5) (A) by striking out “I, X, XVI, XIV,” in  
 23 subsections (a)(1), (b), and (d) of section 1116, and  
 24 inserting in lieu thereof “VI”, and

25 (B) by striking out “4, 404, 1004, 1404, 1604,”

1 in subsection ~~(a)(3)~~ of such section and inserting in  
2 lieu thereof "404, 604"; and

3 ~~(6)(A)~~ by striking out "aid or assistance, other  
4 than medical assistance to the aged, under a State plan  
5 approved under title I, X, XIV, or XVI, or" in  
6 section 1119 and inserting in lieu thereof "aid or  
7 assistance under a State plan approved under", and

8 ~~(B)~~ by striking out "~~3(a), 403(a), 1003(a),~~  
9 ~~1403(a), or 1603(a)~~" in such section and inserting  
10 in lieu thereof "403(a)".

11 SEC. 3. ~~(a)~~ Section 1843(b)(2) of the Social Security  
12 Act is amended by adding at the end thereof the following:  
13 "Effective January 1, 1974, and subject to section 1902(e),  
14 the Secretary at the request of any State shall, notwithstand-  
15 ing the repeal of titles I, X, and XIV by section 303(a) of  
16 the Social Security Amendments of 1972 and the amend-  
17 ments made to title XVI by section 301 of such amend-  
18 ments, continue in effect the agreement entered into under  
19 this section with such State insofar as it includes individuals  
20 who are eligible to receive benefits under part A of title IV,  
21 or supplementary security income benefits under title XVI  
22 (as in effect after December 31, 1973), or are otherwise  
23 eligible to receive medical assistance under the plan of such  
24 State approved under title XIX. The provisions of subsec-  
25 tion ~~(h)(2)~~ of this section as in effect before the effective

1 date of the repeals and amendments referred to in the pre-  
 2 ceeding sentence shall continue to apply with respect to in-  
 3 dividuals included in any such agreement after such date.”

4 ~~(b)~~ Section 1843(c) of such Act is amended by strik-  
 5 ing out the semicolon and all that follows and inserting in  
 6 lieu thereof a period.

7 ~~(c)~~ Section 1843(d)(3) of such Act is amended to  
 8 read as follows:

9 “~~(3)~~ his coverage period attributable to the agree-  
 10 ment with the State under this section shall end on the  
 11 last day of any month in which he is determined by  
 12 the State agency to have become ineligible for medical  
 13 assistance.”

14 ~~(d)~~ Section 1843(f) of such Act is amended—

15 (1) by inserting “or receiving supplemental secu-  
 16 rity income benefits under title XVI (as in effect after  
 17 December 31, 1973), “after IV,”;

18 (2) by striking out “if the agreement entered into  
 19 under this section so provides,”;

20 (3) by striking out “I, XVI, or”; and

21 (4) by striking out “individuals receiving money  
 22 payments under plans of the State approved under titles  
 23 I, X, XIV, and XVI, and part A of title IV, and”.

24 SEC. 4. (a) Title XIX of the Social Security Act is  
 25 amended—



1       ~~(1)~~ by striking out “permanently and totally” in  
2       clause ~~(1)~~ of the first sentence of section 1901;

3       ~~(2)~~ by striking out “, except that the determina-  
4       tion of eligibility for medical assistance under the plan  
5       shall be made by the State or local agency administering  
6       the State plan approved under title I or XVI (insofar as  
7       it relates to the aged)” in section 1902(a)(5);

8       ~~(3)(A)~~ by inserting after “title IV” in section  
9       1902(a)(10) the following: “, or who are receiving a  
10       supplemental security income payment under title XVI  
11       (as in effect after December 31, 1973) and who would,  
12       except for such payment, be eligible for such medical  
13       assistance under the State plan or who would have been  
14       eligible for such medical assistance under the medical  
15       assistance standard as in effect on January 1, 1972 (ex-  
16       cept that in determining income for this purpose, ex-  
17       penses incurred for medical care must be deducted)”;

18       ~~(B)~~ by striking out “not receiving aid or assistance  
19       under any such plan” in subparagraph ~~(A)(ii)~~ of such  
20       section and inserting in lieu thereof “pursuant to sub-  
21       paragraph ~~(B)(ii)~~”;

22       ~~(C)~~ by inserting after “Secretary” in subparagraph  
23       ~~(B)~~ of such section “or who are individuals receiving  
24       supplemental security income benefits under title XVI  
25       (as in effect after December 31, 1973) (which for

1 the purposes of this subparagraph shall be considered  
 2 to be a State plan} but who are not eligible under sub-  
 3 paragraph (A)”,

4 (D) by inserting after “State plan” in subpara-  
 5 graph (B) (i) of such section “or who are receiving a  
 6 supplemental security income payment under title XVI  
 7 (as in effect that December 31, 1973) and who would,  
 8 except for such payment, be eligible for medical assist-  
 9 ance under the State plan,” and

10 (E) by striking out “not receiving aid or assistance  
 11 under any such State plan” in subparagraph (B) (ii)  
 12 of such section and inserting in lieu thereof “under clause  
 13 (i) of this subparagraph”;

14 (4) by inserting after “IV,” in section 1902(a)-  
 15 (13)(B) the following: “who are described in para-  
 16 graph (10) with respect to whom medical assistance  
 17 must be made available,”;

18 (5)(A) by inserting after “appropriate,” in section  
 19 1902(a)(14)(A) the following: “or, after December  
 20 31, 1973, are required to be covered under section 1902  
 21 (a)(10)(A) or who meet the income and resources  
 22 requirement as specified in such section,” and

23 (B) by inserting after “appropriate” in subpara-  
 24 graph (B) of such section the following: “or who, after  
 25 December 31, 1973, are included under the State plan

1 approved under title XIX pursuant to paragraph ~~(10)~~  
 2 ~~(B)~~,”;

3 ~~(6) (A)~~ by striking out “who are not receiving aid  
 4 or assistance under the State’s plan approved under  
 5 title I, X, XIV, or XVI, or part A of title IV,” in  
 6 the portion of section ~~1902(a)(17)~~ which precedes  
 7 clause ~~(A)~~ and inserting in lieu thereof “other than  
 8 those described in paragraph ~~(10)~~ with respect to whom  
 9 medical assistance must be made available,” and

10 ~~(B)~~ by striking out “permanently and totally” in  
 11 clause ~~(D)~~ of such section;

12 ~~(7)~~ by striking out “permanently and totally” in  
 13 section ~~1902(a)(18)~~;

14 ~~(8)~~ by striking out “referred to in section ~~3(a)~~  
 15 ~~(4) (A) (i)~~ and ~~(ii)~~ or section ~~1603(a)(4) (A) (i)~~  
 16 and ~~(ii)~~” in section ~~1902(a)(20)(C)~~ and inserting  
 17 in lieu thereof “which the State agency administering  
 18 the plan approved under title XVI determines to make  
 19 available or, after December 31, 1973, which the agency  
 20 administering the program of supplemental security in-  
 21 come benefits under title XVI (as in effect after De-  
 22 cember 31, 1973) determines to make available”;

23 ~~(9)~~ by striking out “money payments” in section  
 24 ~~1903(a)(1)~~ and inserting in lieu thereof “aid or assist-  
 25 ance”, and by inserting “, or supplemental security in-

1 come benefits under title XVI of such Act (as in effect  
2 after December 31, 1973),” in such section after “title  
3 IV”;

4 (10) by striking out section 1903(e);

5 (11) by inserting after “title IV,” in section  
6 1903(f)(4)(A) the following: “or supplemental se-  
7 curity income benefits under the title XVI of such Act  
8 (as in effect after December 31, 1973),”; and

9 (12)(A) by inserting after “title IV,” in the mat-  
10 ter preceding clause (i) in section 1905(a) the follow-  
11 ing: “or supplemental security income benefits under  
12 title XVI of such Act (as in effect after December 31,  
13 1973),”;

14 (B) by striking out clauses (iv) and (v) of such  
15 section and inserting in lieu thereof the following:

16 “(iv) blind as defined in section 1614(a)(2);

17 “(v) 18 years of age or older and disabled as de-  
18 fined in section 1614(a)(3), or”;

19 (C) by inserting after “XVI,” in clause (vi) of  
20 such section “or supplemental security income benefits  
21 under title XVI (as in effect after December 31,  
22 1973),”; and

23 (D) by striking out “or XVI” in the second  
24 sentence of such section and inserting in lieu thereof



1       “~~, or supplemental security income benefits under title~~  
2       ~~XVI (as in effect after December 31, 1973),”.~~

3       ~~(b) Section 1902(f) of such Act is amended by inserting~~  
4       ~~“supplemental security income payment under title XVI~~  
5       ~~and” after “such individual’s.”~~

6       SEC. 5. The amendments made by this Act shall become  
7       effective January 1, 1974; except that such amendments  
8       ~~(other than the amendment made by section 2(1)(B))~~ shall  
9       not be applicable in the case of Puerto Rico, Guam, and the  
10      ~~Virgin Islands.~~

11      That this Act, with the following table of contents, may be  
12      cited as the “Social Security Amendments of 1973”.

#### TABLE OF CONTENTS

##### TITLE I—GENERAL AMENDMENTS

##### PART A—SOCIAL SECURITY CASH BENEFITS

*Sec. 101. Interim cost-of-living increase in social security benefits.*

*Sec. 102. Eleven-percent increase in social security benefits.*

*Sec. 103. Modification of cost-of-living benefit increase provisions.*

*Sec. 104. Increase in earnings base.*

*Sec. 105. Changes in tax schedule.*

*Sec. 106. Allocation to disability insurance trust fund.*

*Sec. 107. International agreements with respect to social security benefits.*

“*Sec. 232. International agreements.*

“(a) *Purpose of agreement.*

“(b) *Delegation of authority to Secretary of Health,  
Education, and Welfare.*

“(c) *Definitions.*

“(d) *Crediting periods of coverage; tax exemptions;  
conditions of payment of benefits.*

“(e) *Regulations.*

“(f) *Reports to Congress; effective date of agree-  
ments.”*

*Sec. 108. Treatment of certain farm income.*

*Sec. 109. Study by Secretary as to feasibility of relating benefits under  
the Social Security Act to prevailing cost-of-living in various  
areas.*

## TABLE OF CONTENTS—Continued

## TITLE I—GENERAL AMENDMENTS—Continued

## PART A—SOCIAL SECURITY CASH BENEFITS—Continued

- Sec. 110. Termination of coverage of certain policemen in Louisiana.*  
*Sec. 111. Termination of coverage for policemen or firemen in California.*  
*Sec. 111A. Inclusion of New Jersey among States permitted to divide their retirement systems.*  
*Sec. 111B. Actuarially reduced benefits for widows at age 55.*  
*Sec. 111C. Liberalization of earnings test.*  
*Sec. 111D. Consumer Price Index for the Aged.*  
*Sec. 111E. Liberalization of social security eligibility for the blind.*

## PART B—TAX CREDIT

- Sec. 112. Tax credit for low-income workers with families.*  
     *(a) In general.*  
         *"Sec. 42. Tax credit for low-income workers with families.*  
             *"(a) In general.*  
                 *"(1) Allowance of credit.*  
                 *"(2) Applicable percentage.*  
             *"(b) Limitations.*  
                 *"(1) Maximum credit.*  
                 *"(2) Reduction for additional income.*  
                 *"(3) Application with section 6428.*  
             *"(c) Definitions.*  
                 *"(1) Eligible individual.*  
                 *"(2) Social security taxes."*  
         *(b) Advance refund of credit.*  
         *"Sec. 6428. Advance refund of section 42 credit.*  
             *"(a) In general.*  
             *"(b) Limitations.*  
                 *"(1) Amount of refund.*  
                 *"(2) Ineligible for credit.*  
                 *"(3) Minimum payment.*  
             *"(c) Collection of excess payments."*  
         *(c) Returns of taxpayers receiving advance refund of section 42 credit.*  
             *"(4) Returns of taxpayers receiving advance refund of section 42 credit."*  
         *(d) Development of application forms; cooperations of other Government agencies.*  
         *(e) Amendment of Social Security Act.*  
         *(f) Effective date.*

## PART C—AMENDMENTS RELATED TO SUPPLEMENTAL SECURITY INCOME PROGRAM

- Sec. 121. Increase in supplemental security income benefits.*  
*Sec. 122. Eligibility of supplemental security income recipients for food stamps.*  
*Sec. 123. Individuals deemed to be disabled under the supplemental security income program.*

## TABLE OF CONTENTS—Continued

## TITLE I—GENERAL AMENDMENTS—Continued

## PART C—AMENDMENTS RELATED TO SUPPLEMENTAL SECURITY INCOME PROGRAM—Continued

- Sec. 124. Supplemental security income recipient living in Aid to Families with Dependent Children household.*
- Sec. 125. Disregarding of certain payments in determining amount of supplemental security income benefits.*
- Sec. 126. Continuation of certain demonstration projects.*
- Sec. 127. Authority for surviving spouse of deceased SSI beneficiary to cash joint check.*
- Sec. 128. Arrangements with States to act as the Secretary's agent in making benefits payments.*
- Sec. 129. Disregard, under mandatory minimum State supplementation of SSI benefits program, of supplemental security income increases and of old-age, survivors, and disability insurance increases.*
- Sec. 130. Exclusion from resources of individual's home.*
- Sec. 130A. Determination of income in case of individual living in home of another person.*
- Sec. 130B. Value of resources to be reduced by encumbrances thereon.*
- Sec. 130C. Exclusion from income of certain education expenses paid for by grants, fellowships, or scholarships.*

## PART D—SOCIAL SERVICES AMENDMENTS

- Sec. 131. Amendments to provision limiting Federal funds for social services.*
- Sec. 132. Special Federal social services funding limit for fiscal year 1974.*
- Sec. 133. Amendments to State plan requirements regarding social services.*
- Sec. 134. Annual reports by Secretary on social services.*
- Sec. 135. Use of donated funds in provision of social services.*
- Sec. 136. Minimum mandatory services for individuals receiving supplementary security income benefits.*
- Sec. 137. Reporting requirements for States with respect to social services.*
- Sec. 138. Effective dates.*
- Sec. 139. Child-care standards.*
- Sec. 140. Payments to States for educational purposes.*
- Sec. 140A. Hearings for recipients or claimants.*
- Sec. 140B. Reallotments of ceilings on Federal funds for social services.*

## PART E—CHILD WELFARE SERVICES

- Sec. 141. National adoption information exchange system.*
- Sec. 142. Child abuse, neglect, and protective services.*

## PART F—CHILD SUPPORT PROGRAMS

- Sec. 151. Child support and establishment of paternity.*  
*(a) In general.*

## TABLE OF CONTENTS—Continued

## TITLE I—GENERAL AMENDMENTS—Continued

*"PART D—CHILD SUPPORT AND ESTABLISHMENT OF PATERNITY*

- "Sec. 451. Appropriation.*
- "Sec. 452. Duties of the Secretary.*
- "Sec. 453. Parent locator service.*
- "Sec. 454. State plan for child support.*
- "Sec. 455. Payments to States.*
- "Sec. 456. Support obligations.*
- "Sec. 457. Distribution of proceeds.*
- "Sec. 458. Incentive payment to localities.*
- "Sec. 459. Consent by the United States to garnishment and similar proceedings for enforcement of child support and alimony obligations.*
- "Sec. 460. Civil actions to enforce child support obligations.*
- "Sec. 461. Regional laboratories to establish paternity through analysis and classification of blood."*
  - (b) Collection of child support obligations.*
- "Sec. 6305. Collection of certain liability.*
  - "(a) In general.*
  - "(b) Review of assessments and collections."*
  - (c) Amendments to part A of title IV.*
  - (d) Conforming amendments to title XI.*
  - (e) Appointment of Assistant Secretary for Child Support.*
  - (f) Authorization of appropriations.*
  - (g) Effective date.*

*PART G—AID TO FAMILIES WITH DEPENDENT CHILDREN*

- Sec. 161. Pass-along of social security benefit increase to recipients of Aid to Families with Dependent Children.*
- Sec. 162. Disregard of income under Aid to Families with Dependent Children.*
- Sec. 163. Community work and training programs.*
- Sec. 164. State demonstration projects.*
- Sec. 165. Study and recommendations with respect to the establishing of nationwide rates of ineligibility and overpayment in the Aid to Families with Dependent Children Program.*

*PART H—AMENDMENTS TO MEDICAID AND MEDICARE PROGRAMS*

- Sec. 171. Medicaid eligibility for supplemental security income recipients.*
  - (a) Beneficiaries.*
  - (b) Technical clarification and modification of medicaid eligibility and Federal title XIX matching under Public Law 93-66.*
  - (c) Medicaid eligibility for individuals receiving mandatory State supplementary payments.*
  - (d) Effective dates.*
- Sec. 172. Standards for payments under medicaid to health maintenance organizations.*
- Sec. 173. Payments to substandard facilities under medicaid.*
- Sec. 174. Medicaid matching for expenditures with respect to certain Indians.*
- Sec. 175. Certain States deemed to have plans approved under title XIX.*
- Sec. 176. Payment for services of physicians rendered in a teaching hospital.*



## TABLE OF CONTENTS—Continued

## TITLE I—GENERAL AMENDMENTS—Continued

## PART H—AMENDMENTS TO MEDICAID AND MEDICARE PROGRAMS—Con.

- Sec. 181. Use of Social Security Administration in the administration of medicare.*
- Sec. 182. Reimbursement under medicare for services with respect to coverage based on chronic kidney failure.*
- Sec. 183. Capital expenditures planning.*
- Sec. 184. Occupational therapy under medicare.*
- Sec. 185. Basis of medicare payment for services provided by agencies and providers.*
- Sec. 186. Outpatient speech pathology.*
- Sec. 187. Statewide professional standards review organizations.*
- Sec. 188. Priority in designation of professional standards review organizations.*
- Sec. 189. Statewide professional standards review councils.*
- Sec. 190. Postponement on effective date of certain requirements imposed with respect to payment for physical therapy services.*
- Sec. 191. Payment under medicare to individuals covered by Federal employees health benefits program.*
- Sec. 192. Study regarding coverage under part B of medicare for certain services provided by optometrists.*
- Sec. 193. Coverage of certain maintenance drugs on an outpatient basis.*
- Sec. 194. Rates of tax for hospital insurance.*
- Sec. 195. Judicial review of decisions of Provider Reimbursement Review Board.*
- Sec. 196. Practitioner may not be denied participation in medicare or medicaid for failure to perform sterilization procedures or abortions.*
- Sec. 197. Liberalization of medicare lifetime reserve.*
- Sec. 198. Definition of "spell of illness" under medicare.*
- Sec. 198A. Coverage under medicare for the disabled spouse of an individual who is covered under medicare by reason of disability.*
- Sec. 198B. Study to determine feasibility of providing payments under title XVIII for the services of aides for home dialysis patients.*
- Sec. 198C. Limit on medicare inpatient hospital deductible.*
- Sec. 198D. Prohibition of Federal funding for abortions under medicaid.*
- Sec. 198E. Medicare for individuals, age 60 through 64, who are entitled to benefits under section 202 or who are spouses of individuals entitled to health insurance.*
- Sec. 198F. To extend to certain recipients of annuity or pension under the Railroad Retirement Act the treatment accorded to certain social security recipients under section 249E of the Social Security Amendments of 1972, as amended.*
- Sec. 198G. Definition of immediate care facility and immediate care facility services in title XVIII.*
- Sec. 198H. Definition of immediate care facility services in title XIX.*
- Sec. 198I. Provision of home health services under the insurance program established by part A without a prior stay in a hospital.*

## PART I—AMENDMENTS RELATING TO MATERNAL AND CHILD HEALTH SERVICES

- Sec. 199. Grants to regional pediatric pulmonary centers.*

## TABLE OF CONTENTS—Continued

TITLE II—CLERICAL AND CONFORMING AMENDMENTS  
TO SOCIAL SECURITY ACT*Sec. 201. In general.*

- (a) *Inclusion of all wage level increases in automatic adjustment of earnings test.*
- (b) *Inclusion in old-age insurance benefit in certain cases of delayed retirement.*
- (c) *Elimination of benefits at age 72 for uninsured individuals receiving supplemental security income benefits.*
- (d) *Limitations on eligibility determinations under resources tests of State plans.*
- (e) *Limitations on eligibility and benefit determinations under income tests of State plans for aid to the blind.*
- (f) *Correction of erroneous designations and cross references.*
- (g) *Initial payments to presumptively disabled individuals unrecoverable only if individual is ineligible because not disabled.*
- (h) *Technical correction of limitation on fiscal liability of States for optional supplementation.*
- (i) *Modification of transitional administrative provisions.*
- (j) *Inclusion of title VI in limitation on grants to States for social services.*
- (k) *Clarification of coverage of hospitalization for dental services.*
- (l) *Continuation of State agreements for coverage of certain individuals.*
- (m) *Technical improvement of provisions governing disposition of HMO savings.*
- (n) *Technical improvement of provisions governing allowable HMO premium charges.*
- (o) *Applications for assistance on behalf of deceased individuals.*
- (p) *Expansion of intermediate care facility ownership disclosure requirements.*
- (q) *Technical modification of extended medicaid eligibility for AFDC recipients.*
- (r) *Limitation on payments to States for expenditures in relation to disabled individuals eligible for medicare.*
- (s) *Federal payment for cost of inspecting institutions limited to expenses incurred during covered period.*
- (t) *Federal payment for family planning expenditures not limited to administrative costs.*
- (u) *Exception to limitation on payments to States for expenditures in relation to individuals eligible for medicare.*
- (v) *Utilization review by medical personnel associated with an institution.*
- (w) *Authority to prescribe standards under title XIX for active treatment of mental illness.*

## TABLE OF CONTENTS—Continued

TITLE II—CLERICAL AND CONFORMING AMENDMENTS  
TO SOCIAL SECURITY ACT—Continued

- (x) *Correction of erroneous designations and cross references.*
- (y) *Deletion of obsolete provisions.*
- (z) *Determination of amount of exclusion for disapproved capital expenditures by institutions reimbursed on fixed fee or negotiated rate basis.*
- (z-1) *Technical improvement of authority to include expenses related to capital expenditures in certain cases.*
- (z-2) *Conforming amendments to title XI of the Social Security Act.*
- (z-3) *Effective dates.*

*Sec. 202. Modification of provisions establishing supplemental security income program.*

*“Sec. 303. Amendment to Act of April 19, 1950”.*

TITLE III—AMENDMENT TO PART A OF TITLE IV OF THE  
SOCIAL SECURITY ACT

*Sec. 301. Elimination of precondition for Federal financial participation that children in foster care be removed from their homes as a result of judicial determination.*

## TITLE IV—MISCELLANEOUS

*Sec. 401. Provisions relating to unemployment compensation.*

*Sec. 402. Provisions relating to the prohibition or limitation by a foreign country of exportation of crude oil to the United States.*

## 1           TITLE I—GENERAL AMENDMENTS

## 2           PART A—SOCIAL SECURITY CASH BENEFITS

## 3   INTERIM COST-OF-LIVING INCREASE IN SOCIAL SECURITY

## 4   BENEFITS

5       SEC. 101. (a) Section 201 of Public Law 93-66 is  
6 amended—

7           (1) in subsection (a)(1), by striking out “the per-  
8 centage by which the Consumer Price Index prepared by  
9 the Department of Labor for the month of June 1973  
10 exceeds such index for the month of June 1972” and  
11 inserting in lieu thereof “7 per centum”,

1           (2) in subsection (a)(2), by striking out “after  
 2       May 1974 and prior to January 1975, and, in the case  
 3       of lump-sum death payments under such title, only with  
 4       respect to deaths which occur after May 1974 and prior  
 5       to January 1975” and inserting in lieu thereof “with  
 6       respect to which this section is effective, and, in the case  
 7       of lump-sum death payments under such title, only with  
 8       respect to deaths which occur in months with respect to  
 9       which this section is effective”,

10           (3) in subsection (b), by striking out “based on the  
 11       increase in the Consumer Price Index described in sub-  
 12       section (a)” and inserting in lieu thereof “7 per centum”,  
 13       and

14           (4) in subsection (c)(2), by striking out “(except for  
 15       purposes of section 203(a)(2) of such Act, as in effect  
 16       after May 1974)” and inserting in lieu thereof “(except  
 17       for purposes of section 203(a) of such Act, as in effect  
 18       after December 1973, which section (as so in effect)  
 19       shall, for purposes of the increase in social security  
 20       benefits provided by this section, be deemed to be in  
 21       effect for and after the first month with respect to which  
 22       such increase is effective)”.

23           (b) Section 201 of Public Law 93-66 is further amended  
 24       by adding at the end thereof the following new subsection:

25           “(e) For purposes of subsection (a)(2), this section  
 26       is effective with respect to the month in which this subsection



1 is enacted and for each month thereafter which begins prior  
2 to June 1974.”.

### 3 ELEVEN-PERCENT INCREASE IN SOCIAL SECURITY

#### 4 BENEFITS

5 SEC. 102. (a) Section 215(a) of the Social Security  
6 Act is amended by striking out the table and inserting in lieu  
7 thereof the following:

“TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND  
MAXIMUM FAMILY BENEFITS

I  (Primary insurance benefit under 1959 Act, as modified)		II  (Primary insurance amount effective for September 1972)	III  (Average monthly wage)		IV  (Primary insurance amount)	V  (Maximum family benefits)
“If an individual’s primary insurance benefit (as determined under subsec. (d)) is—		Or his pri- mary insur- ance amount (as deter- mined under subsec. (c)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits pay- able (as pro- vided in sec. 203(a)) on the basis of his wages and self- employment income shall be—
“At least—	But not more than—		At least—	But not more than—		
“-----	\$16.20	\$54.60	-----	\$76	\$99.60	\$140.80
\$16.21	16.84	55.80	\$77	78	96.90	143.00
16.85	17.60	57.80	79	80	97.50	145.50
17.61	18.40	59.40	81	81	99.30	148.00
18.41	19.24	61.00	82	83	101.10	151.70
19.25	20.00	62.90	84	85	103.20	154.80
20.01	20.64	64.60	86	87	105.10	157.70
20.65	21.28	66.20	88	89	106.80	160.20
21.29	21.88	68.10	90	90	108.90	163.40
21.89	22.28	69.80	91	92	110.80	166.20
22.29	22.68	101.40	93	94	112.60	169.00
22.69	23.08	103.00	95	96	114.40	171.60
23.09	23.44	104.90	97	97	116.50	174.80
23.45	23.76	106.70	98	99	118.50	177.80
23.77	24.20	108.80	100	101	120.80	181.20
24.21	24.60	110.50	102	102	122.50	183.80
24.61	25.00	112.10	103	104	124.50	186.80
25.01	25.48	114.20	105	106	126.80	190.20
25.49	25.92	116.00	107	107	128.80	193.20
25.93	26.40	117.90	108	109	130.60	196.40
26.41	26.94	119.70	110	113	132.90	199.40
26.95	27.45	121.40	114	118	134.80	202.20
27.47	28.00	123.50	119	122	136.90	206.40
28.01	28.63	125.10	123	127	138.90	208.40
28.69	29.25	127.10	128	132	141.10	211.70
29.26	29.63	128.90	133	136	143.00	214.60
29.69	30.36	130.80	137	141	144.90	217.40
30.37	30.92	132.50	142	145	147.10	220.70
30.93	31.56	134.30	147	150	149.10	223.70
31.57	32.00	136.00	151	155	151.00	226.60
32.01	32.60	138.00	156	160	153.20	229.80
32.61	33.20	139.70	161	164	155.10	232.70
33.21	33.88	141.60	165	169	157.20	235.80
33.89	34.60	143.40	170	174	159.20	238.90
34.51	35.00	145.20	176	178	161.20	241.80
35.01	35.80	147.20	179	183	163.40	245.10
35.81	36.40	148.80	184	188	165.20	247.80
36.41	37.08	150.90	189	193	167.50	251.40
37.09	37.60	152.70	194	197	169.50	254.40
37.61	38.20	154.40	198	202	171.40	257.10
38.21	39.12	156.40	203	207	173.70	260.60
39.13	39.68	158.20	208	211	175.70	263.60
39.69	40.33	159.80	212	216	177.40	266.10
40.34	41.12	161.80	217	221	179.60	269.40
41.13	41.76	163.60	222	225	181.60	272.40
41.77	42.44	165.50	226	230	183.80	275.70
42.45	43.20	167.30	231	235	185.80	278.70

"TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND  
MAXIMUM FAMILY BENEFITS—Continued

I  (Primary insurance benefit under 1939 Act, as modified)		II  (Primary insurance amount effective for September 1972)	III  (Average monthly wage)		IV  (Primary insurance amount)	V  (Maximum family benefits)
"If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his pri- mary insur- ance amount (as deter- mined under subsec. (c)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits pay- able (as pro- vided in sec. 203(a)) on the basis of his wages and self- employment income shall be—
"At least—	But not more than—		At least—	But not more than—		
43.21	43.76	169.40	236	239	188.10	282.20
43.77	44.44	171.00	240	244	189.90	286.20
44.45	44.88	172.70	246	249	191.70	292.10
44.89	46.60	174.80	250	253	194.10	296.80
		176.60	254	258	196.10	302.60
		178.10	259	263	197.70	308.40
		180.20	264	267	200.10	313.10
		182.00	268	272	202.10	319.00
		183.90	273	277	204.20	324.80
		185.70	278	281	206.20	329.60
		187.50	282	286	208.20	336.40
		189.60	287	291	210.40	341.30
		191.10	292	296	212.20	345.90
		193.10	296	300	214.40	351.70
		194.90	301	306	216.40	357.60
		196.60	306	309	218.50	362.40
		198.60	310	314	220.60	368.20
		200.30	316	319	222.40	374.10
		202.00	320	323	224.30	378.80
		204.00	324	328	226.60	384.70
		205.80	329	333	228.60	390.60
		207.90	334	337	230.80	396.20
		209.40	338	342	232.60	401.00
		211.20	343	347	234.60	406.90
		213.30	348	351	236.80	411.60
		215.00	352	356	238.70	417.40
		217.00	357	361	240.90	423.30
		218.70	362	366	242.80	428.00
		220.40	366	370	244.70	433.80
		222.40	371	376	246.90	439.60
		224.20	376	379	248.90	444.60
		226.20	380	384	251.10	450.30
		227.80	385	389	252.90	456.10
		229.60	390	393	254.90	460.80
		231.60	394	398	257.10	466.70
		233.30	399	403	259.00	472.60
		235.40	404	407	261.80	477.20
		236.90	408	412	263.00	483.10
		238.60	413	417	264.90	488.90
		240.30	418	421	266.80	493.60
		242.20	422	426	268.90	499.40
		243.80	427	431	270.70	505.30
		245.40	432	436	272.40	511.20
		247.40	437	440	274.70	513.60
		248.90	441	445	276.90	516.60
		250.60	446	450	278.20	519.40
		252.60	451	454	280.30	521.70
		254.10	456	459	282.10	524.60
		256.80	460	464	284.00	527.60
		257.40	466	468	286.80	530.00
		259.40	469	473	288.00	532.80
		260.90	474	478	289.60	536.80
		262.60	479	482	291.60	538.20
		264.60	483	487	293.60	541.20
		266.10	488	492	296.40	544.10
		267.80	493	496	297.90	546.40
		269.70	497	501	299.40	549.30
		271.20	502	506	301.10	552.20
		272.80	507	510	303.00	554.60
		274.60	511	516	304.90	557.60
		276.40	516	520	306.60	560.60
		278.10	521	524	308.70	562.70
		279.80	526	529	310.60	566.70
		281.70	530	534	312.70	568.60
		283.20	536	538	314.40	571.00
		284.90	539	543	316.90	573.90
		286.80	544	548	318.40	576.80
		288.40	549	553	320.20	579.80
		290.10	554	556	322.10	581.60
		291.60	567	560	323.60	583.00
		293.10	561	563	325.40	586.70
		294.60	564	567	327.10	588.00
		296.20	568	570	328.80	589.80
		297.60	571	574	330.40	592.00
		299.20	576	577	332.20	593.90

**"TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND  
MAXIMUM FAMILY BENEFITS—Continued**

I  (Primary insurance benefit under 1939 Act, as modified)		II  (Primary insurance amount effective for September 1972)	III  (Average monthly wage)		IV  (Primary insurance amount)	V  (Maximum family benefits)
"If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his pri- mary insur- ance amount (as deter- mined under subsec. (c)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits pay- able (as pro- vided in sec. 203(a)) on the basis of his wages and self- employment income shall be—
"At least—	But not more than—		At least—	But not more than—		
		300.60	578	581	333.70	596.10
		302.20	582	584	335.50	597.90
		303.60	585	588	337.00	600.30
		305.30	589	591	338.90	602.00
		306.80	592	595	340.60	604.40
		308.30	596	598	342.80	606.10
		309.80	599	602	345.90	608.60
		311.30	603	605	346.60	610.30
		312.80	606	609	347.30	612.60
		314.40	610	612	349.00	614.40
		315.90	613	616	350.70	616.70
		317.40	617	620	352.40	619.10
		318.90	621	623	354.00	620.80
		320.40	624	627	355.70	623.20
		321.90	628	630	357.40	625.30
		323.40	631	634	359.00	628.40
		325.00	635	637	360.80	631.30
		326.00	638	641	362.60	634.40
		328.00	642	644	364.10	637.20
		329.60	645	648	365.90	640.30
		331.00	649	652	367.60	643.10
		332.00	653	656	368.60	645.00
		332.90	657	660	369.60	646.70
		334.10	661	665	370.90	649.10
		335.30	666	670	372.20	651.40
		336.50	671	675	373.60	653.70
		337.70	676	680	374.90	656.10
		338.90	681	685	376.20	658.40
		340.10	686	690	377.60	660.70
		341.30	691	695	378.90	663.10
		342.60	696	700	380.20	665.40
		343.70	701	705	381.60	667.70
		344.90	706	710	382.90	670.00
		346.10	711	715	384.20	672.40
		347.30	716	720	385.60	674.70
		348.50	721	725	386.90	677.00
		349.70	726	730	388.20	679.40
		350.90	731	735	389.50	681.70
		352.10	736	740	390.90	684.00
		353.30	741	745	392.20	686.40
		354.50	746	750	393.50	688.70
		355.50	751	755	394.70	690.70
		356.50	756	760	395.80	692.60
		357.50	761	765	396.90	694.60
		358.50	766	770	398.00	696.50
		359.50	771	775	399.10	698.50
		360.50	776	780	400.20	700.30
		361.50	781	785	401.30	702.30
		362.50	786	790	402.40	704.20
		363.50	791	795	403.50	706.20
		364.50	796	800	404.60	708.10
		365.50	801	805	405.80	710.10
		366.50	806	810	406.90	712.00
		367.50	811	815	408.00	714.00
		368.50	816	820	409.10	715.90
		369.50	821	825	410.20	717.90
		370.50	826	830	411.30	719.80
		371.50	831	835	412.40	721.80
		372.50	836	840	413.50	723.70
		373.50	841	845	414.60	725.70
		374.50	846	850	415.70	727.60
		375.50	851	855	416.90	729.50
		376.50	856	860	418.00	731.40
		377.50	861	865	419.10	733.40
		378.50	866	870	420.20	735.30
		379.50	871	875	421.30	737.30
		380.50	876	880	422.40	739.20
		381.50	881	885	423.50	741.20
		382.50	886	890	424.60	743.10
		383.50	891	895	425.70	745.10
		384.50	896	900	426.80	747.00
		385.50	901	905	428.00	749.00
		386.50	906	910	429.10	750.90
		387.50	911	915	430.20	752.90
		388.50	916	920	431.30	754.70
		389.50	921	925	432.40	756.70

"TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND  
MAXIMUM FAMILY BENEFITS—Continued

I  (Primary insurance benefit under 1939 Act, as modified)		II  (Primary insurance amount effective for September 1972)	III  (Average monthly wage)		IV  (Primary insurance amount)	V  (Maximum family benefits)
"If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his pri- mary insur- ance amount (as deter- mined under subsec. (c)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits pay- able (as pro- vided in sec. 203(a)) on the basis of his wages and self- employment income shall be—
"At least—	But not more than—		At least—	But not more than—		
		\$90.50	926	930	433.50	758.60
		991.50	981	985	434.60	760.60
		992.50	986	940	435.70	762.50
		993.50	941	945	436.80	764.50
		994.50	946	950	437.90	766.40
		995.50	951	955	439.10	768.40
		996.50	956	960	440.20	770.30
		997.50	961	965	441.30	772.30
		998.50	966	970	442.40	774.20
		999.50	971	975	443.50	776.20
		400.50	976	980	444.60	778.00
		401.50	981	985	445.70	780.00
		402.50	986	990	446.80	781.90
		403.50	991	995	447.90	783.90
		404.50	996	1,000	449.00	785.80
			1,001	1,005	450.00	787.50
			1,006	1,010	451.00	789.30
			1,011	1,015	452.00	791.00
			1,016	1,020	453.00	792.80
			1,021	1,025	454.00	794.50
			1,026	1,030	455.00	796.30
			1,031	1,035	456.00	798.00
			1,036	1,040	457.00	799.80
			1,041	1,045	458.00	801.50
			1,046	1,050	459.00	803.30
			1,051	1,055	460.00	805.00
			1,056	1,060	461.00	806.80
			1,061	1,065	462.00	808.50
			1,066	1,070	463.00	810.30
			1,071	1,075	464.00	812.00
			1,076	1,080	465.00	813.80
			1,081	1,085	466.00	815.50
			1,086	1,090	467.00	817.30
			1,091	1,095	468.00	819.00
			1,096	1,100	469.00	820.80."

1           (b)(1) Effective June 1, 1974, sections 227 and 228  
2 of the Social Security Act are amended by striking out  
3 "\$58.00" wherever it appears and inserting in lieu thereof  
4 "the larger of \$64.40 or the amount most recently established  
5 in lieu thereof under section 215(i)", and by striking out  
6 "\$29.00" wherever it appears and inserting in lieu thereof  
7 "the larger of \$32.20 or the amount most recently established  
8 in lieu thereof under section 215(i)".

9           (2) Section 202(a)(4) of Public Law 92-336 is hereby  
10 repealed.



1       (c) *The amendment made by subsection (a) shall apply*  
 2 *with respect to monthly benefits under title II of the Social*  
 3 *Security Act for months after May 1974, and with respect*  
 4 *to lump-sum death payments under section 202(i) of such*  
 5 *Act in the case of deaths occurring after such month.*

6       (d) *Section 202(a)(3) of Public Law 92-336 is*  
 7 *amended by striking out "January 1, 1975" in subpara-*  
 8 *graphs (A), (B), and (C) and inserting in lieu thereof in*  
 9 *each instance "June 1, 1974".*

#### 10       MODIFICATION OF COST-OF-LIVING BENEFIT INCREASE

##### 11                       PROVISIONS

12       SEC. 103. (a) *Clause (i) of section 215(i)(1)(A) of*  
 13 *the Social Security Act is amended to read as follows: "(i)*  
 14 *the calendar quarter ending on March 31 in each year after*  
 15 *1974, or".*

16       (b) *Clause (ii) of section 215(i)(1)(B) of such Act*  
 17 *is amended by striking out "in which a law" and all that*  
 18 *follows and inserting in lieu thereof "if in the year prior to*  
 19 *such year a law has been enacted providing a general benefit*  
 20 *increase under this title or if in such prior year a benefit*  
 21 *increase becomes effective; and".*

22       (c) *Section 215(i)(2)(A)(i) of such Act is amended*  
 23 *by striking out "1974" and inserting in lieu thereof "1975",*  
 24 *and by striking out "and to subparagraph (E) of this para-*  
 25 *graph".*

1       (d) Section 215(i)(2)(A)(ii) of such Act is  
2 amended—

3           (1) by striking out “such base quarter” and insert-  
4 ing in lieu thereof “the base quarter in any year”;

5           (2) by striking out “January of the next calendar  
6 year” and inserting in lieu thereof “June of such year”;

7           (3) by striking out “(subject to subparagraph  
8 (E))”; and

9           (4) by striking out “(but not including a primary  
10 insurance amount determined under subsection (a)(3) of  
11 this section)”.

12       (e) Section 215(i)(2)(B) of such Act is amended by  
13 striking out “December” each place it appears and inserting  
14 in lieu thereof “May”, and, by striking out “(subject to sub-  
15 paragraph (E))”.

16       (f) Section 215(i)(2)(C)(ii) of such Act is amended  
17 by striking out “on or before August 15 of such calendar  
18 year” and inserting in lieu thereof “within 30 days after  
19 the close of such quarter”.

20       (g) Section 215(i)(2)(D) of such Act is amended  
21 by striking out “on or before November 1 of such calendar  
22 year” and inserting in lieu thereof “within 45 days after  
23 the close of such quarter”.

24       (h) Section 215(i)(2) of such Act is amended by  
25 striking out subparagraph (E).

(i) For purposes of section 203(f)(8) of the Social Security Act, so much of section 215(i)(1)(B) of such Act as follows the semicolon, and section 230(a) of such Act, the increase in benefits provided by section 102 of this Act shall be considered an increase under section 215(i) of the Social Security Act.

(j)(1) Section 230(a) of such Act is amended—

(A) by striking out “with the first month of the calendar year” and inserting in lieu thereof “with the June”; and

(B) by striking out “(along with the publication of such benefit increase as required by section 215(i)(2)(D))” and by striking out “(unless such increase in benefits is prevented from becoming effective by section 215(i)(2)(E))”.

(2) Section 230(c) of such Act is amended by striking out “the first month” and inserting in lieu thereof “the June”.

(k)(1) Section 203(f)(8)(A) of such Act is amended to read as follows:

“(A) Whenever the Secretary pursuant to section 215(i) increases benefits effective with the month of June following a cost-of-living computation quarter, he shall also determine and publish in the Federal Register on or before November 1 of the calendar year in which such quarter occurs a new exempt amount which shall

1       be effective (unless such new exempt amount is pre-  
 2       vented from becoming effective by subparagraph (C) of  
 3       this paragraph) with respect to any individual's taxable  
 4       year which ends after the calendar year in which such  
 5       benefit increase is effective (or, in the case of an indi-  
 6       vidual who dies during the calendar year after the cal-  
 7       endar year in which the benefit increase is effective,  
 8       with respect to such individual's taxable year which  
 9       ends, upon his death, during such year).".

10       (2) Section 203(f)(8)(B) of such Act is amended by  
 11       striking out "no later than August 15 of such year" and in-  
 12       serting in lieu thereof "within 30 days after the close of the  
 13       base quarter (as defined in section 215(i)(1)(A)) in such  
 14       year".

15       (3) Section 203(f)(8)(C) is amended by striking out  
 16       "or providing a general benefit increase under this title (as  
 17       defined in section 215(i)(3))".

18       (1)(1) Section 215(a)(3) of the Social Security Act  
 19       is amended by striking out "\$8.50" and inserting in lieu  
 20       thereof "the larger of \$9.50 or the amount most recently  
 21       established in lieu thereof under section 215(i)".

22       (2) The amendment made by paragraph (1) shall  
 23       apply with respect to monthly benefits under title II of the  
 24       Social Security Act for months after May 1974, and with  
 25       respect to lump-sum death payments under section 202(i)  
 26       of such Act in the case of deaths occurring after such month.



## INCREASE IN EARNINGS BASE

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

*SEC. 104. (a)(1) Section 209(a)(8) of the Social Security Act is amended by striking out "\$12,600" and inserting in lieu thereof "\$13,200".*

*(2) Section 211(b)(1)(H) of such Act is amended by striking out "\$12,600" and inserting in lieu thereof "\$13,200".*

*(3) Sections 213(a)(2)(ii) and 213(a)(2)(iii) of such Act are each amended by striking out "\$12,600" and inserting in lieu thereof "\$13,200".*

*(4) Section 215(e)(1) of such Act is amended by striking out "\$12,600" and inserting in lieu thereof "\$13,200".*

*(b)(1) Section 1402(b)(1)(H) of the Internal Revenue Code of 1954 (relating to definition of self-employment income) is amended by striking out "\$12,600" and inserting in lieu thereof "\$13,200".*

*(2) Effective with respect to remuneration paid after 1973, section 3121(a)(1) of such Code is amended by striking out the dollar amount each place it appears therein and inserting in lieu thereof "\$13,200".*

*(3) Effective with respect to remuneration paid after 1973, the second sentence of section 3122 of such Code is amended by striking out the dollar amount and inserting in lieu thereof "\$13,200".*

1       (4) *Effective with respect to remuneration paid after*  
2 *1973, section 3125 of such Code is amended by striking out*  
3 *the dollar amount each place it appears in subsections (a),*  
4 *(b), and (c) and inserting in lieu thereof "\$13,200".*

5       (5) *Section 6413(c)(1) of such Code (relating to spe-*  
6 *cial refunds of employment taxes) is amended by striking*  
7 *out "\$12,600" each place it appears and inserting in lieu*  
8 *thereof "\$13,200".*

9       (6) *Section 6413(c)(2)(A) of such Code (relating*  
10 *to refunds of employment taxes in the case of Federal em-*  
11 *ployees) is amended by striking out "\$12,600" and insert-*  
12 *ing in lieu thereof "\$13,200".*

13       (7) *Effective with respect to taxable years beginning*  
14 *after 1973, section 6654(d)(2)(B)(ii) of such Code (re-*  
15 *lating to failure by individual to pay estimated income tax)*  
16 *is amended by striking out the dollar amount and inserting in*  
17 *lieu thereof "\$13,200".*

18       (c) *Section 230(c) of the Social Security Act is*  
19 *amended by striking out "\$12,600" and inserting in lieu*  
20 *thereof "\$13,200".*

21       (d) *Paragraphs (2)(C), (3)(C), (4)(C), and*  
22 *(7)(C) of section 203(b) of Public Law 92-336 are each*  
23 *amended by striking out "\$12,600" and inserting in lieu*  
24 *thereof "\$13,200".*

25       (e) *The amendments made by this section, except sub-*

1 section (a)(4), shall apply only with respect to remunera-  
 2 tion paid after, and taxable years beginning after, 1973.  
 3 The amendments made by subsection (a)(4) shall apply  
 4 with respect to calendar years after 1973.

5 (f) The amendments made by this section to provisions  
 6 of the Social Security Act, the Internal Revenue Code of  
 7 1954, and Public Law 92-336 shall be deemed to be made  
 8 to such provisions as amended by section 203 of Public  
 9 Law 93-66.

#### 10 CHANGES IN TAX SCHEDULES

11 SEC. 105. (a)(1) Section 3101(a) of the Internal Rev-  
 12 enue Code of 1954 (relating to rate of tax on employees  
 13 for purposes of old-age, survivors, and disability insurance)  
 14 is amended by striking out paragraphs (4) through (6)  
 15 and inserting in lieu thereof the following:

16 “(4) with respect to wages received during the  
 17 calendar year 1973, the rate shall be 4.85 percent;

18 “(5) with respect to wages received during the  
 19 calendar years 1974 through 2010, the rate shall be  
 20 4.95 percent; and

21 “(6) with respect to wages received after Decem-  
 22 ber 31, 2010, the rate shall be 5.95 percent.”

23 (2) Section 3111(a) of such Code (relating to rate of  
 24 tax on employers for purposes of old-age, survivors, and

1 disability insurance) is amended by striking out paragraphs  
2 (4) through (6) and inserting in lieu thereof the following:

3 “(4) with respect to wages paid during the calen-  
4 dar year 1973, the rate shall be 4.85 percent;

5 “(5) with respect to wages paid during the calendar  
6 years 1974 through 2010, the rate shall be 4.95 percent;  
7 and

8 “(6) with respect to wages paid after December 31,  
9 2010, the rate shall be 5.95 percent.”.

10 (b)(1) Section 1401(b) of such Code (relating to rate  
11 of tax on self-employment income for purposes of hospital  
12 insurance) is amended by striking out paragraphs (2)  
13 through (5) and inserting in lieu thereof the following:

14 “(2) in the case of any taxable year beginning after  
15 December 31, 1972, and before January 1, 1974, the  
16 tax shall be equal to 1.0 percent of the amount of the self-  
17 employment income for such taxable year;

18 “(3) in the case of any taxable year beginning after  
19 December 31, 1973, and before January 1, 1978, the  
20 tax shall be equal to 0.90 percent of the amount of the  
21 self-employment income for such taxable year;

22 “(4) in the case of any taxable year beginning after  
23 December 31, 1977, and before January 1, 1981, the  
24 tax shall be equal to 1.10 percent of the amount of the  
25 self-employment income for such taxable year;



1       “(5) in the case of any taxable year beginning after  
2       December 31, 1980, and before January 1, 1986, the  
3       tax shall be equal to 1.35 percent of the amount of the  
4       self-employment income for such taxable year; and

5       “(6) in the case of any taxable year beginning  
6       after December 31, 1985, the tax shall be equal to 1.50  
7       percent of the self-employment income for such taxable  
8       year.”

9       (2) Section 3101(b) of such Code (relating to rate of  
10      tax on employees for purposes of hospital insurance) is  
11      amended by striking out paragraphs (2) through (5) and  
12      inserting in lieu thereof the following:

13       “(2) with respect to wages received during the  
14      calendar year 1973, the rate shall be 1.0 percent;

15       “(3) with respect to wages received during the  
16      calendar years 1974 through 1977, the rate shall be  
17      0.90 percent;

18       “(4) with respect to wages received during the  
19      calendar years 1978 through 1980, the rate shall be  
20      1.10 percent;

21       “(5) with respect to wages received during the  
22      calendar years 1981 through 1985, the rate shall be  
23      1.35 percent; and

24       “(6) with respect to wages received after December  
25      31, 1985, the rate shall be 1.50 percent.”.

1       (3) Section 3111(b) of such Code (relating to rate of  
2 tax on employers for purposes of hospital insurance) is  
3 amended by striking out paragraphs (2) through (5) and  
4 inserting in lieu thereof the following:

5           “(2) with respect to wages paid during the calen-  
6 dar year 1973, the rate shall be 1.0 percent;

7           “(3) with respect to wages paid during the calendar  
8 years 1974 through 1977, the rate shall be 0.90 percent;

9           “(4) with respect to wages paid during the cal-  
10 endar years 1978 through 1980, the rate shall be 1.10  
11 percent;

12           “(5) with respect to wages paid during the calen-  
13 dar years 1981 through 1985, the rate shall be 1.35  
14 percent; and

15           “(6) with respect to wages paid after December 31,  
16 1985, the rate shall be 1.50 percent.”.

17       (c) The amendment made by subsection (b)(1) shall  
18 apply only with respect to taxable years beginning after  
19 December 31, 1973. The remaining amendments made by  
20 this section shall apply only with respect to remuneration  
21 paid after December 31, 1973.

22       ALLOCATION TO DISABILITY INSURANCE TRUST FUND

23       SEC. 106. (a) Section 201(b)(1) of the Social Security  
24 Act is amended by striking out “(E)” and all that follows  
25 down through “which wages” and inserting in lieu thereof

1 the following: “(E) 1.1 per centum of the wages (as so de-  
 2 fined) paid after December 31, 1972, and before January 1,  
 3 1974, and so reported, (F) 1.15 per centum of the wages  
 4 (as so defined) paid after December 31, 1973, and before  
 5 January 1, 1978, and so reported, (G) 1.2 per centum of  
 6 the wages (as so defined) paid after December 31, 1977,  
 7 and before January 1, 1981, and so reported, (H) 1.3 per  
 8 centum of the wages (as so defined) paid after December 31,  
 9 1980, and before January 1, 1986, and so reported, (I) 1.4  
 10 per centum of the wages (as so defined) paid after Decem-  
 11 ber 31, 1985, and before January 1, 2011, and so reported,  
 12 and (J) 1.7 per centum of the wages (as so defined) paid  
 13 after December 31, 2010, and so reported, which wages”.

14 (b) Section 201(b)(2) of such Act is amended by  
 15 striking out “(E)” and all that follows down through “which  
 16 self-employment income” and inserting in lieu thereof the  
 17 following: “(E) 0.795 of 1 per centum of the amount of  
 18 self-employment income (as so defined) so reported for any  
 19 taxable year beginning after December 31, 1972, and before  
 20 January 1, 1974, (F) 0.815 of 1 per centum of the  
 21 amount of self-employment income (as so defined) so reported  
 22 for any taxable year beginning after December 31, 1973,  
 23 and before January 1, 1978, (G) 0.850 of 1 per centum  
 24 of the amount of self-employment income (as so defined)  
 25 so reported for any taxable year beginning after Decem-

ber 31, 1977, and before January 1, 1981, (H) 0.920  
 of 1 per centum of the amount of self-employment income  
 (as so defined) so reported for any taxable year begin-  
 ning after December 31, 1980, and before January 1, 1986,  
 (I) 0.990 of 1 per centum of the amount of self-employ-  
 ment income (as so defined) so reported for any taxable  
 year beginning after December 31, 1985, and before Jan-  
 uary 1, 2011, and (J) 1 per centum of the amount of  
 self-employment income (as so defined) so reported for any  
 taxable year beginning after December 31, 2010, which  
 self-employment income”.

INTERNATIONAL AGREEMENTS WITH RESPECT TO  
 SOCIAL SECURITY BENEFITS

SEC. 107. (a) Title II of the Social Security Act is  
 amended by adding at the end thereof the following new  
 section:

“INTERNATIONAL AGREEMENTS

“Purpose of Agreement

“SEC. 232. (a) The President is authorized to enter  
 into agreements establishing totalization arrangements be-  
 tween the social security system established by this title and  
 the social security system of any foreign country, for the  
 purposes of establishing entitlement to and the amount of old-  
 age, survivors, disability, or derivative benefits based on a  
 combination of an individual's periods of coverage under the



1 *social security system established under this title and the*  
 2 *social security system of such foreign country.*

3       *“Delegation of Authority to Secretary of Health,*  
 4               *Education, and Welfare*

5       *“(b)(1) The President is authorized to delegate any of*  
 6 *his functions under this section to the Secretary of Health,*  
 7 *Education, and Welfare.*

8       *“(2) Pursuant to any such delegation, the Secretary of*  
 9 *Health, Education, and Welfare shall consult with the*  
 10 *Secretary of the Treasury and the Secretary of State prior*  
 11 *to entering into any such agreement.*

12               *“Definitions*

13       *“(c) For the purposes of this section—*

14       *“(1) The term ‘social security systems’ of a foreign*  
 15 *country means a social insurance or pension system which*  
 16 *is of general application in the country and under which*  
 17 *periodic benefits, or the actuarial equivalent thereof, are paid*  
 18 *on account of old age, death, or disability.*

19       *“(2) The term ‘period of coverage’ means a period of*  
 20 *payment of contributions or a period of earnings based on*  
 21 *wages for employment or on self-employment income, or*  
 22 *any similar period recognized as equivalent thereto under*  
 23 *this title or under the social security system of a country*  
 24 *which is a party to an agreement entered into under this*  
 25 *section.*

1   *“Crediting Periods of Coverage; Tax Exemptions; Condi-*  
 2                                   *tions of Payment of Benefits*

3           *“(d)(1) Any agreement establishing a totalization ar-*  
 4   *rangement pursuant to this section shall provide—*

5                   *“(A) that, in the case of an individual who has at*  
 6   *least 6 quarters of coverage as defined in section 213 of*  
 7   *this Act and periods of coverage under the social security*  
 8   *system of a foreign country which is a party to such*  
 9   *agreement, periods of coverage of such individual under*  
 10   *such social security systems of such foreign country may,*  
 11   *at the option of such individual or of the survivors of*  
 12   *such individual, be combined with periods of coverage*  
 13   *under this title and otherwise considered for the purpose*  
 14   *of establishing entitlement to and the amount of old-age,*  
 15   *survivors, and disability insurance benefits under this*  
 16   *title:*

17                   *“(B)(i) that employment or self-employment, or*  
 18   *any service which is recognized as equivalent to employ-*  
 19   *ment or self-employment under this title and the social*  
 20   *security system of such foreign country which is a party*  
 21   *to such agreement, shall, on or after the effective date of*  
 22   *such agreement, result in a period of coverage under the*  
 23   *system established under this title or under the system*  
 24   *established under the laws of such foreign country, but*  
 25   *not under both;*

1           “(ii) the methods and conditions for determining  
2       under which system such employment, self-employment,  
3       or other service shall result in a period of coverage;

4           “(C) that where an individual's periods of coverage  
5       are combined, the benefit amount payable under this title  
6       shall be based on the proportion of such individual's pe-  
7       riods of coverage which were completed under this title;  
8       and

9           “(D) that an individual who is entitled to cash  
10      benefits under this title pursuant to such agreement shall,  
11      notwithstanding the provisions of section 202(t), re-  
12      ceive such benefits while he legally resides in the foreign  
13      country which is a party to such agreement.

14          “(2) To the extent that any such agreement provides  
15      that any period of coverage under this title shall not be such  
16      a period of coverage because it is a period of coverage under  
17      the laws of a foreign country which is a party to such agree-  
18      ment, no employment or self-employment taxes shall be im-  
19      posed with respect to such period of coverage under the  
20      laws of the United States.

21          “(3) Any such agreement may provide that the benefit  
22      paid by the United States to an individual who legally re-  
23      sides in the United States shall be increased to an amount  
24      which, when added to the benefit paid by such foreign coun-  
25      try, will be equal to the benefit amount which would be

1 payable to an entitled individual based on the first figure  
2 in (or deemed to be in) column IV of the table in section  
3 215(a).

4 “(4) Section 226 shall not apply in the case of any  
5 individual to whom it would not be applicable but for this  
6 section or any agreement or regulation under this section.

7 “(5) Any such agreement may contain such other pro-  
8 visions, not inconsistent with this section, as the President  
9 deems appropriate.

10 “Regulations

11 “(e) The Secretary of Health, Education, and Welfare  
12 shall make rules and regulations and establish procedures  
13 which are reasonable and necessary to implement and ad-  
14 minister any agreement which has been entered into in  
15 accordance with this section.

16 “Reports to Congress; Effective Date of Agreements

17 “(f)(1) Any agreement to establish a totalization ar-  
18 rangement entered into pursuant to this section shall be  
19 transmitted by the President to the Congress.

20 “(2) Such an agreement shall become effective on any  
21 date provided in the agreement following 90 calendar days  
22 of continuous session of the Congress after the date on which  
23 the agreement is transmitted in accordance with paragraph  
24 (1). The continuity of a session is broken (for purposes of  
25 this paragraph) only by an adjournment of the Congress



1 *sine die. The days on which either House of the Congress is*  
2 *not in session because of an adjournment of more than 3*  
3 *days to a day certain shall be excluded in the computation of*  
4 *the 90-day period.”.*

5 *(b)(1) Section 1401 of the Internal Revenue Code*  
6 *is amended by adding at the end thereof the following*  
7 *new subsection:*

8 *“(c) During any period in which there is in effect an*  
9 *agreement entered into pursuant to section 232 of the Social*  
10 *Security Act with any foreign country, the self-employment*  
11 *income of an individual shall be exempt from the taxes*  
12 *imposed by this section to the extent that such self-employ-*  
13 *ment income is subject under such agreement to taxes or*  
14 *contributions for similar purposes under the social security*  
15 *system of such foreign country.”.*

16 *(2) Sections 3101 and 3111 of such Code are each*  
17 *amended by adding at the end thereof the following new*  
18 *subsection:*

19 *“(c) During any period in which there is in effect an*  
20 *agreement entered into pursuant to section 232 of the Social*  
21 *Security Act with any foreign country, wages received by*  
22 *or paid to an individual shall be exempt from the taxes im-*  
23 *posed by this section to the extent that such wages are subject*  
24 *under such agreement to taxes or contributions for similar*

1 purposes under the social security system of such foreign  
2 country.'".

3 (3) Notwithstanding any other provision of law, taxes  
4 paid by any individual to any foreign country with respect  
5 to any period of employment or self-employment which is  
6 covered under the social security system of such foreign  
7 country in accordance with the terms of an agreement en-  
8 tered into pursuant to section 232 of the Social Security Act,  
9 shall not, under the laws of the United States, be deductible  
10 by, or creditable against the income tax of, any such  
11 individual.

12 TREATMENT OF CERTAIN FARM INCOME

13 SEC. 108. (a) Section 211(a) of the Social Security Act  
14 is amended by adding at the end thereof the following new  
15 paragraph:

16 "An agreement between an owner or tenant of land and  
17 another person under which such other person is to manage  
18 and supervise the production of agricultural or horticultural  
19 commodities on such land shall not be considered to be an ar-  
20 rangement (described in paragraph (1)(A) of the first sen-  
21 tence of this subsection) which provides for material par-  
22 ticipation by the owner or tenant in production or manage-  
23 ment, if under such agreement it is the responsibility and  
24 duty of such other person, as the agent of such owner or  
25 tenant, to manage and supervise such production (including

1 the selection of the tenants or other personnel whose serv-  
2 ices will be utilized in such production) without personal  
3 participation therein by such owner or tenant, and if, in  
4 fact, there is no personal participation by such owner or  
5 tenant in such production or management.”.

6 (b) Section 1402(a) of the Internal Revenue Code of  
7 1954 (relating to definition of net earnings from self-employ-  
8 ment) is amended by adding at the end thereof the following  
9 new paragraph:

10 “An agreement between an owner or tenant of land and  
11 another person under which such other person is to manage  
12 and supervise the production of agricultural or horticultural  
13 commodities on such land shall not be considered to be an ar-  
14 rangement (described in paragraph (1)(A) of the first sen-  
15 tence of this subsection) which provides for material par-  
16 ticipation by the owner or tenant in production or manage-  
17 ment, if under such arrangement it is the responsibility and  
18 duty of such other person, as the agent of such owner or  
19 tenant, to manage and supervise such production (including  
20 the selection of the tenants or other personnel whose serv-  
21 ices will be utilized in such production) without personal  
22 participation therein by such owner or tenant, and if, in  
23 fact, there is no personal participation by such owner or  
24 tenant in such production or management.”.

25 (c) The amendments made by this section shall apply

1 *with respect to taxable years beginning after December 31,*  
2 *1973.*

3 *STUDY BY SECRETARY AS TO FEASIBILITY OF RELATING*  
4 *BENEFITS UNDER THE SOCIAL SECURITY ACT TO PRE-*  
5 *VAILING COST OF LIVING IN VARIOUS AREAS*

6 *SEC. 109. (a) The Secretary of Health, Education, and*  
7 *Welfare (hereinafter in this section referred to as the "Sec-*  
8 *retary") shall conduct a study of the various programs*  
9 *established by and pursuant to the Social Security Act with*  
10 *a view to determining the feasibility of relating the various*  
11 *dollar amounts set forth therein (whether in the form of*  
12 *benefits, deductibles, conditions of eligibility for benefits, or*  
13 *otherwise) to the prevailing cost of living in the various*  
14 *States (and localities within States) in which such programs*  
15 *are operative.*

16 *(b) In carrying out such study, the Secretary shall—*

17 *(1) develop a comprehensive cost-of-living index*  
18 *which reflects the average cost of living for each State as*  
19 *a whole (and not just the urban or other areas therein);*

20 *(2) include an evaluation of the effects which would*  
21 *be produced among the various States, including the ad-*  
22 *vantages to recipients, if the benefits (and other dollar*  
23 *amount related criteria) in the Social Security Act were*  
24 *adjusted in accordance with differences in the average*  
25 *cost of living in the various States;*



(3) give consideration to the feasibility of applying such a cost-of-living adjustment only in those States where the cost of living is significantly higher than the cost of living in the Nation as a whole; and

(4) analyze existing sources, within the Federal Government, from which data relating to the cost of living is available, with a view to determining the need for improved sources of such data, within the Federal Government, under which such data would be made available on a regular basis and in a more analytical, comprehensive, and suitable form.

(c) The Secretary shall complete such study and shall submit to the Congress a full and complete report thereon, together with the recommendations of the Secretary with respect to the matters included in the study, not later than January 1, 1975.

(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

TERMINATION OF COVERAGE OF CERTAIN POLICEMEN IN  
LOUISIANA

SEC. 110. Notwithstanding any provision of section 218 of the Social Security Act, the agreement with the State of Louisiana entered into pursuant to such section may, at the option of such State, be modified, at any time during the

1 *calendar year commencing January 1, 1974, so as to exclude*  
 2 *services performed within such State by individuals who are in*  
 3 *positions of policemen and who are eligible for membership in*  
 4 *the Municipal Police Employees Retirement System of Louisi-*  
 5 *ana. Any modification of such agreement pursuant to this*  
 6 *section shall be effective with respect to services performed*  
 7 *after an effective date specified by the State in such modifi-*  
 8 *cation, except that such date shall not be earlier than January*  
 9 *1, 1974.*

10 *TERMINATION OF COVERAGE FOR POLICEMEN OR*  
 11 *FIREMEN IN CALIFORNIA*

12 *SEC. 111. (a) Notwithstanding any provision of sec-*  
 13 *tion 218 of the Social Security Act, upon giving at least two*  
 14 *years' advance notice in writing to the Secretary of Health,*  
 15 *Education, and Welfare (hereafter in this section referred*  
 16 *to as the "Secretary"), the State of California may ter-*  
 17 *minate, effective at the end of the calendar quarter specified*  
 18 *in the notice, its agreement (entered into under such section)*  
 19 *with the Secretary with respect to services of—*

20 *(1) all employees included under the agreement as*  
 21 *a single coverage group within the meaning of section*  
 22 *218(d)(4) of such Act which is composed entirely of*  
 23 *positions of policemen or firemen or both;*

24 *(2) all employees in positions of policemen or fire-*  
 25 *men or both which are included under such agreement as*

1 a part of a coverage group within the meaning of section  
2 218(d)(4) of such Act; or

3 (3) all employees in positions of policemen or fire-  
4 men or both which were included under such agreement  
5 as part of a coverage group as defined in section 218  
6 (b)(5) of such Act and which were covered by a retire-  
7 ment system after the date coverage was extended to such  
8 group,

9 but only if such agreement has been in effect with respect to  
10 employees in such positions for not less than five years prior  
11 to the receipt of such notice.

12 (b) If the agreement entered into (under section 218 of  
13 the Social Security Act) between the State of California and  
14 the Secretary is terminated pursuant to this section with re-  
15 spect to services of employees in positions of policemen or fire-  
16 men as described in subsection (a), the Secretary and such  
17 State may not thereafter modify such agreement so as to  
18 again make such agreement applicable to services performed  
19 by employees in such positions.

20 (c) Notwithstanding any provision of section 218 of the  
21 Social Security Act, the agreement with the State of Cali-  
22 fornia under such section may, if the State so desires, be modi-  
23 fied at any time prior to July 1, 1976, so as to again make  
24 the agreement applicable to services performed by employees,  
25 other than employees in policemen's or firemen's positions, in

1 a coverage group with respect to which the agreement was  
 2 terminated by the State prior to the enactment of this Act if  
 3 the Governor of the State, or an official designated by him,  
 4 certifies that the following conditions have been met:

5 (1) the majority of such employees have indicated  
 6 a desire to have their coverage reinstated, and

7 (2) the termination of the agreement with respect to  
 8 the coverage group was for the purpose of terminating  
 9 coverage for those employees in policemen's or firemen's  
 10 positions, or both.

11 Notwithstanding the provisions of section 218(f)(1) of such  
 12 Act, any such modification shall be effective as of the date  
 13 coverage was previously terminated for those members of the  
 14 coverage group who meet the conditions prescribed in section  
 15 218(f)(2) of such Act.

16 INCLUSION OF NEW JERSEY AMONG STATES PERMITTED TO  
 17 DIVIDE THEIR RETIREMENT SYSTEMS

18 SEC. 111A. Section 218(d)(6)(C) of the Social Secu-  
 19 rity Act is amended by inserting "New Jersey," after  
 20 "Nevada,".

21 ACTUARIALLY REDUCED BENEFITS FOR WIDOWS AT AGE 55

22 SEC. 111B. (a) (1) Section 202(e)(1)(B) of the  
 23 Social Security Act is amended by striking out "60" wherever  
 24 it appears therein and inserting in lieu thereof "55".

25 (2) Section 202(e)(1) of such Act is amended, in



1 the matter following subparagraph (F), by striking out  
2 “60” and inserting in lieu thereof “55”.

3 (3) Section 202(e)(4) of such Act is amended by  
4 striking out “60” and inserting in lieu thereof “55”.

5 (4) Section 202(e)(5) of such Act is amended by  
6 striking out “60” and inserting in lieu thereof “55”.

7 (b) The third sentence of section 203(c) of such Act  
8 is amended by striking out “60 (but only if she became so  
9 entitled prior to attaining age 60)” and inserting in lieu  
10 thereof “55 (but only if she became so entitled prior to attain-  
11 ing age 55)”.

12 (c) Section 203(f)(1)(D) is amended by striking out  
13 “60 (but only if she became so entitled prior to attaining  
14 age 60)” and inserting in lieu thereof “55 (but only if she  
15 became so entitled prior to attaining age 55)”.

16 (d) Section 222(b)(1) of such Act is amended by  
17 striking out “a widow, widower, or surviving divorced wife  
18 who has not attained age 60,” and inserting in lieu thereof  
19 “a widow or surviving divorced wife who has not attained  
20 age 55, a widower who has not attained age 60,”.

21 (e)(1) Section 222(d)(1)(C) of such Act is amended  
22 by striking out “60” and inserting in lieu thereof “55”.

23 (2) Section 222(d)(1) of such Act, in the matter fol-  
24 lowing subparagraph (D), by striking out “for widows and  
25 surviving divorced wives who have not attained age 60” and

1 inserting in lieu thereof “for widows and surviving divorced  
2 wives who have not attained age 55”.

3 (f) The first sentence of section 225 of such Act is  
4 amended by striking out “widow or surviving divorced wife  
5 who has not attained age 60” and inserting in lieu thereof  
6 “widow or surviving divorced wife who has not attained age  
7 55”.

8 (g) The amendments made by this section shall apply  
9 with respect to monthly insurance benefits payable under  
10 title II of the Social Security Act for months after the month  
11 in which this Act is enacted, on the basis of applications  
12 filed in or after the month in which this Act is enacted.

#### 13 LIBERALIZATION OF EARNINGS TEST

14 SEC. 111C. (a) Paragraphs (1), (3), and (4)(B) of  
15 section 203(f), and paragraph (1)(A) of section 203(h), of  
16 the Social Security Act are each amended by striking out  
17 “\$175” and inserting in lieu thereof “\$250”.

18 (b)(1) Subsections (c)(1), (d)(1), (f)(1), and (j)  
19 of section 203 of the Social Security Act are each amended  
20 by striking out “seventy-two” and inserting in lieu thereof  
21 “seventy”.

22 (2) Subsection (h)(1)(A) of such section 203 is  
23 amended by striking out “the age of 72” and “age 72” and  
24 inserting in lieu thereof in each instance “age 70”.

25 (3) The heading of subsection (j) of such section 203

1 is amended by striking out "Seventy-two" and inserting in  
2 lieu thereof "Seventy".

3 (c) The amendments made by subsections (a) and (b)  
4 shall apply with respect to taxable years beginning after De-  
5 cember 31, 1973.

6 (d) Section 202 of Public Law 93-66 is hereby  
7 repealed.

8 CONSUMER PRICE INDEX FOR THE AGED

9 SEC. 111D. (a) In order to provide the Congress with  
10 improved means for formulating legislation with respect to  
11 older Americans, the Secretary of Labor, through the Bureau  
12 of Labor Statistics is authorized and directed to prepare,  
13 as part of the Consumer Price Index published monthly by  
14 the Bureau of Labor Statistics, a consumer price index (to  
15 be known as the "Consumer Price Index for the Aged")  
16 designed to reflect the relevant price information for indi-  
17 viduals who are 65 years of age or older.

18 (b) (1) Section 215(i) of the Social Security Act is  
19 amended by striking out "Consumer Price Index", wherever  
20 it appears therein, and inserting in lieu thereof "Consumer  
21 Price Index for the Aged or the Consumer Price Index,  
22 whichever is the higher".

23 (2) (A) Except as provided in subparagraph (B), the  
24 amendments made by paragraph (1) shall be effective with  
25 respect to cost-of-living increases made after the date of

1 enactment of this section under section 215(i) of the Social  
2 Security Act.

3 (B) The amendments made by paragraph (1) shall  
4 not be effective with respect to any cost-of-living increase  
5 made under section 215(i) of the Social Security Act if  
6 such increase is made with respect to a base quarter (as  
7 defined in section 215(i)(1)(A) of such Act) which occurs  
8 prior to the first calendar quarter for each month of which  
9 there is published by the Department of Labor (in accord-  
10 ance with subsection (a)) a "Consumer Price Index for  
11 the Aged".

12 LIBERALIZATION OF SOCIAL SECURITY ELIGIBILITY FOR  
13 THE BLIND

14 SEC. 111E. (a)(1) Section 214(a) of the Social  
15 Security Act is amended by adding "or" after the semicolon  
16 at the end of paragraph (3), and by inserting after para-  
17 graph (3) the following new paragraph:

18 "(4) in the case of an individual who has died and  
19 who was entitled to a benefit under section 223 for the  
20 month before the month in which he died, 6 quarters  
21 of coverage;"

22 (2) Section 215(b)(1) of such Act is amended by  
23 striking out "shall be the quotient" and inserting in lieu  
24 thereof "shall (except as provided in paragraph (5)) be  
25 the quotient".

1       (3) Section 215(b) of such Act is further amended by  
2 adding at the end thereof the following new paragraph:

3       “(5) In the case of an individual who is blind (within  
4 the meaning of ‘blindness’ as defined in section 216(i)(1)),  
5 such individual’s average monthly wage shall be the quotient  
6 obtained by dividing (A) the total of his wages paid in,  
7 and self-employment income credited to, all of the calendar  
8 quarters which are quarters of coverage (as defined in sec-  
9 tion 213) and which fall within the period after 1950 and  
10 prior to the year specified in clause (i) or clause (ii) of  
11 paragraph (2)(C), by (B) the number of months in such  
12 quarters; except that any such individual who is fully insured  
13 (without regard to section 214(a)(4)) shall have his aver-  
14 age monthly wage computed under this subsection without  
15 regard to this paragraph if such computation results in a  
16 larger primary insurance amount.”

17       (4) Section 216(i)(3) of such Act is amended to read  
18 as follows:

19       “(3) The requirements referred to in clauses (i) and  
20 (ii) of paragraph (2)(C) are satisfied by an individual  
21 with respect to any quarter only if—

22       “(A) he would have been a fully insured indi-  
23 vidual (as defined in section 214) had he attained  
24 age 62 and filed application for benefits under section  
25 202(a) on the first day of such quarter, and (i) he had



1        *not less than 20 quarters of coverage during the 40-*  
 2        *quarter period which ends with such quarter, or (ii) if*  
 3        *such quarter ends before he attains (or would attain) age*  
 4        *31, not less than one-half (and not less than 6) of the*  
 5        *quarters during the period ending with such quarter and*  
 6        *beginning after he attained the age of 21 were quarters of*  
 7        *coverage, or (if the number of quarters in such period*  
 8        *is less than 12) not less than 6 of the quarters in the 12-*  
 9        *quarter period ending with such quarter were quarters of*  
 10       *coverage; or*

11            *“(B) he is blind (within the meaning of ‘blindness’*  
 12        *as defined in paragraph (1) of this subsection) and has*  
 13        *not less than 6 quarters of coverage in the period which*  
 14        *ends with such quarter.*

15        *For purposes of clauses (i) and (ii) of subparagraph*  
 16        *(A) of this paragraph, when the number of quarters in*  
 17        *any period is an odd number, such number shall be reduced*  
 18        *by one, and a quarter shall not be counted as part of any*  
 19        *period if any part of such quarter was included in a prior*  
 20        *period of disability unless such quarter was a quarter of*  
 21        *coverage.”*

22            *(5) The first sentence of section 222(b)(1) of such*  
 23        *Act is amended by inserting “(other than such an individual*  
 24        *whose disability is blindness as defined in section 216(i)*

1 (1))” after “an individual entitled to disability insurance  
2 benefits”.

3 (6) Section 223(a)(1) of such Act is amended—

4 (A) by striking out the comma at the end of sub-  
5 paragraph (B) and inserting in lieu thereof “or is blind  
6 (within the meaning of ‘blindness’ as defined in sec-  
7 tion 216(i)(1)),”;

8 (B) by striking out “the month in which he at-  
9 tains age 65” and inserting in lieu thereof “in the case  
10 of any individual other than an individual whose dis-  
11 ability is blindness (as defined in section 216(i)(1)),  
12 the month in which he attains age 65”; and

13 (C) by striking out the second sentence.

14 (7) Section 223(c)(1) of such Act is amended to read  
15 as follows:

16 “(1) An individual shall be insured for disability  
17 insurance benefits in any month if—

18 “(A) he would have been a fully insured indi-  
19 vidual (as defined in section 214) had he attained  
20 age 62 and filed application for benefits under sec-  
21 tion 202(a) on the first day of such month, and  
22 (i) he had not less than 20 quarters of coverage  
23 during the 40-quarter period which ends with the  
24 quarter in which such month occurred, or (ii) if

1        *such month ends before the quarter in which he*  
 2        *attains (or would attain) age 31, not less than*  
 3        *one-half (and not less than 6) of the quarters during*  
 4        *the period ending with the quarter in which such*  
 5        *month occurred and beginning after he attained the*  
 6        *age of 21 were quarters of coverage, or (if the*  
 7        *number of quarters in such period is less than 12)*  
 8        *not less than 6 of the quarters in the 12-quarter*  
 9        *period ending with such quarter were quarters of*  
 10       *coverage, or*

11                *“(B) he is blind (within the meaning of ‘blind-*  
 12                *ness’ as defined in section 216(i)(1)) and has not*  
 13                *less than 6 quarters of coverage in the period which*  
 14                *ends with the quarter in which such month occurs.*

15        *For purposes of clauses (i) and (ii) of subparagraph*  
 16        *(A) of this paragraph, when the number of quarters*  
 17        *in any period is an odd number, such number shall be*  
 18        *reduced by one, and a quarter shall not be counted as*  
 19        *part of any period if any part of such quarter was in-*  
 20        *cluded in a period of disability unless such quarter was*  
 21        *a quarter of coverage.”*

22        *(8) Section 223(d)(1)(B) of such Act is amended*  
 23        *to read as follows:*

24                *“(B) blindness (as defined in section 216(i)*  
 25                *(1)).”*

1       (9) *The second sentence of section 223(d)(4) of such*  
 2 *Act is amended by inserting “(other than an individual*  
 3 *whose disability is blindness, as defined in section 216(i)*  
 4 *(1))” immediately after “individual”.*

5       (b) *In the case of an insured individual who is under*  
 6 *a disability as defined in section 223(d)(1)(B) of the Social*  
 7 *Security Act, who is entitled to monthly insurance benefits*  
 8 *under section 202(a) or 223 of such Act for a month after*  
 9 *the month in which this Act is enacted, and who applies for*  
 10 *a recomputation of his disability insurance benefit or for a*  
 11 *disability insurance benefit (if he is entitled under such sec-*  
 12 *tion 202(a)) in or after the month this Act is enacted, the*  
 13 *Secretary shall, notwithstanding the provisions of section*  
 14 *215(f)(1) of such Act, make a recomputation of such*  
 15 *benefit if such recomputation results in a higher primary*  
 16 *insurance amount.*

17       (c) *The amendments made by subsections (a) and (b)*  
 18 *of this section shall apply only with respect to monthly bene-*  
 19 *fits under title II of the Social Security Act for and after*  
 20 *the second month following the month in which this section is*  
 21 *enacted.*

## 22                   PART B—TAX CREDIT

### 23       TAX CREDIT FOR LOW-INCOME WORKERS WITH FAMILIES

#### 24       SEC. 112. (a) IN GENERAL.

25       (1) *Subpart A of part IV of subchapter A of chapter 1*  
 26 *of the Internal Revenue Code of 1954 (relating to credits*

1 *against tax)* is amended by redesignating section 42 as 43,  
2 *and by inserting after section 41 the following new section:*

3 **"SEC. 42. TAX CREDIT FOR LOW-INCOME WORKERS WITH**  
4 **FAMILIES.**

5 **"(a) IN GENERAL.—**

6 **"(1) ALLOWANCE OF CREDIT.—***There shall be al-*  
7 *lowed to a taxpayer who is an eligible individual as a*  
8 *credit against the tax imposed by this chapter for the*  
9 *taxable year an amount equal to the applicable percent-*  
10 *age (as determined under paragraph (2)) of the social*  
11 *security taxes imposed on him and his employer with*  
12 *respect to wages received by the taxpayer during that*  
13 *year. In the case of a taxpayer who is married (as deter-*  
14 *mined under section 143) and who files a joint return*  
15 *of tax with his spouse under section 6013 for the taxable*  
16 *year, the amount of the credit allowable by this subsec-*  
17 *tion shall be an amount equal to the applicable percentage*  
18 *(as determined under paragraph (2)) of the social*  
19 *security taxes imposed on him and his spouse, and their*  
20 *employers, with respect to wages received by the tax-*  
21 *payer and his spouse during that year.*

22 **"(2) APPLICABLE PERCENTAGE.—***The percentage*  
23 *under paragraph (1) applicable to the social security*  
24 *taxes is—*



1           “(A) 86 percent for calendar years 1974  
2           through 1977,

3           “(B) 83 percent for calendar years 1978  
4           through 1980,

5           “(C) 80 percent for calendar years 1981  
6           through 1985,

7           “(D) 78 percent for calendar years 1986  
8           through 2010, and

9           “(E) 68 percent for calendar years begin-  
10          ning after December 31, 2010.

11       “(b) LIMITATIONS.—

12       “(1) MAXIMUM CREDIT.—The amount of the credit  
13       allowable to a taxpayer (or to a taxpayer and his spouse  
14       in the case of a joint return of tax under section 6013)  
15       for any taxable year under subsection (a) shall not exceed  
16       an amount equal to 10 percent of so much of the wages  
17       (as defined in section 3121(a)) as does not exceed \$4,000  
18       received by that individual (or by that individual and  
19       his spouse in the case of a joint return of tax) during  
20       that year with respect to employment (as defined in sec-  
21       tion 3121(b) without regard to the exclusion set forth  
22       in paragraph (9) of that section).

23       “(2) REDUCTION FOR ADDITIONAL INCOME.—The  
24       amount of the credit allowable under subsection (a) for  
25       any taxable year (after the application of paragraph

1 (1)) shall be reduced by one-fourth of the amount by  
 2 which a taxpayer's income, or, if he is married (as  
 3 determined under section 143), the total of his in-  
 4 come and his spouse's income, for the taxable year ex-  
 5 ceeds \$4,000. For purposes of this paragraph, the term  
 6 'income' means adjusted gross income (as defined in sec-  
 7 tion 62 but without regard to paragraph (3) (relating to  
 8 long-term capital gains)) plus—

9           “(A) any amount described in section 71(b)  
 10       (relating to payments to support minor children),  
 11       71(c) (relating to alimony and separate mainte-  
 12       nance payments paid as a principal sum paid in  
 13       installments), or 74(b) (relating to certain prizes  
 14       and awards),

15           “(B) any amount excluded from income under  
 16       section 101 (relating to certain death benefits), 102  
 17       (relating to gifts and inheritances), 103 (relat-  
 18       ing to interest on certain governmental obligations),  
 19       105(d) (relating to amounts received under wage  
 20       continuation accident and health plans), 107  
 21       (relating to rental value of parsonages), 112  
 22       (relating to certain combat pay of members of the  
 23       Armed Forces), 113 (relating to mustering-out  
 24       payments for members of the Armed Forces), 116  
 25       (relating to partial exclusion of dividends received

by individuals), 117 (relating to scholarships and fellowship grants), 119 (relating to meals or lodging furnished for the convenience of the employer), 121 (relating to gain from sale or exchange of residence by individual who has attained age 65), 911 (relating to earned income from sources without the United States), or 931 (relating to income from sources within possessions of the United States),

“(C) any amount received as a payment from a public agency based upon need, age, blindness, or disability, or as a payment from a public agency for the general support of the taxpayer and his family (as determined by the Secretary or his delegate), other than any payment for the purchase of prosthetic devices or medical services, and

“(D) any amount received as an annuity, pension, retirement, or disability benefit (including veterans’ compensation and pensions, workmen’s compensation payments, monthly insurance payments under title II of the Social Security Act, railroad retirement annuities and pensions, and benefits under any Federal or State unemployment compensation law).

“(3) APPLICATION WITH SECTION 6428.—The amount allowable to a taxpayer, or to a taxpayer and his

1 spouse, as a credit under subsection (a) for any taxable  
2 year (after the application of paragraphs (1) and (2))  
3 shall be reduced by the sum of any amounts received  
4 under section 6428 during that year.

5 “(c) *DEFINITIONS.*—For purposes of this section—

6 “(1) *ELIGIBLE INDIVIDUAL.*—The term ‘eligible  
7 individual’ means an individual who maintains a house-  
8 hold (within the meaning of section 214(b)(3)) in the  
9 United States which is the principal place of abode of  
10 the individual and a child of that individual with respect  
11 to whom he is entitled to a deduction under section 151  
12 (e)(1)(B) (relating to additional exemption for de-  
13 pendents).

14 “(2) *SOCIAL SECURITY TAXES.*—The term ‘social  
15 security taxes’ means the aggregate amount of taxes  
16 imposed by sections 3101 (relating to rate of tax on em-  
17 ployees under the Federal Insurance Contributions Act)  
18 and 3111 (relating to rate of tax on employers under  
19 such Act) with respect to the wages (as defined in section  
20 3121(a)) received by an individual and his spouse with  
21 respect to employment (as defined in section 3121(b)),  
22 or which would be imposed with respect to such wages by  
23 such sections if the definition of the term ‘employment’  
24 (as defined in section 3121(b)) did not contain the  
25 exclusion set forth in paragraph (9) of such section.”.

1       (2) *The table of sections for such subpart is amended*  
2 *by striking out the last item and inserting in lieu thereof*  
3 *the following:*

*“Sec. 42. Tax credit for low income workers with families.*

*“Sec. 43. Overpayments of tax.”.*

4       (3) *Section 6401(b) of the Internal Revenue Code of*  
5 *1954 (relating to excessive credits) is amended by—*

6           (A) *inserting after “lubricating oil)” the following:*

7       *“, 42 (relating to tax credit for low-income workers with*  
8 *families),”; and*

9           (B) *striking out “sections 31 and 39” and inserting*  
10 *in lieu thereof “sections 31, 39, and 42”.*

11       (4) *Section 6201(a)(4) of such Code (relating to*  
12 *assessment authority) is amended by—*

13           (A) *inserting “OR 42” after “SECTION 39” in the*  
14 *caption of such section; and*

15           (B) *striking out “oil),” and inserting in lieu thereof*  
16 *“oil) or section 42 (relating to tax credit for low income*  
17 *workers with families),”.*

18       (b) *ADVANCE REFUND OF CREDIT.—*

19       (1) *Subchapter B of chapter 65 of the Internal Revenue*  
20 *Code of 1954 (relating to rules of special application) is*  
21 *amended by adding at the end thereof the following new*  
22 *section:*



1   “SEC. 6428. *ADVANCE REFUND OF SECTION 42 CREDIT.*

2       “(a) *IN GENERAL.*—A taxpayer may receive an ad-  
3   vance refund of the credit allowable to him under section 42  
4   (relating to tax credit for low-income workers with families)  
5   not more frequently than quarterly by filing an election for  
6   such refund with the Secretary or his delegate at such time  
7   and in such form as the Secretary or his delegate may pre-  
8   scribe. If the taxpayer elects to base his claim for refund on  
9   social security taxes imposed on him, his spouse, and their  
10   employers, the election shall be a joint election signed by the  
11   taxpayer and his spouse. An election may not be made under  
12   this subsection with respect to the last quarter of the calendar  
13   year, and any other election shall specify the quarter or quar-  
14   ters to which it relates and shall be made not later than the  
15   fifteenth day of the eleventh month of the taxable year to  
16   which it relates. The Secretary or his delegate shall pay any  
17   advance refund for which a proper election is made without  
18   regard to any liability, or potential liability, for tax under  
19   chapter 1 which has accrued, or may be expected to accrue,  
20   to the taxpayer for the taxable year to which the election  
21   relates.

22       “(b) *LIMITATIONS.*—

23       “(1) *AMOUNT OF REFUND.*—The amount of any  
24   refund for which a taxpayer files an election under sub-  
25   section (a) shall be an amount equal to the amount of

1     *the credit allowable under section 42 with respect to*  
2     *social security taxes payable with respect to that taxpayer*  
3     *(or, in the case of a joint election, social security taxes*  
4     *payable with respect to that taxpayer and his spouse) for*  
5     *the quarter or quarters to which the election relates.*

6     “(2) *INELIGIBLE FOR CREDIT.*—No advance re-  
7     fund may be made under this section for any quarter  
8     to a taxpayer who, on the basis of the income the tax-  
9     payer and his spouse reasonably may expect to receive  
10    during the taxable year, will not be entitled to claim any  
11    amount as a credit under section 42 for that year.

12    “(3) *MINIMUM PAYMENT.*—No payment may be  
13    made under this section in an amount less than \$30.

14    “(c) *COLLECTION OF EXCESS PAYMENTS.*—In addi-  
15    tion to any other method of collection available to him, if  
16    the Secretary or his delegate determines that any part of  
17    any amount paid to a taxpayer for any quarter under this  
18    section was in excess of the amount to which that taxpayer  
19    was entitled for that quarter, the Secretary or his delegate  
20    shall notify that taxpayer of the excess payment and may  
21    withhold, from any amounts which that taxpayer elects to  
22    receive under this section in any subsequent quarter, amounts  
23    totaling not more than the amount of that excess.”.

24    (2) *The table of sections for such subchapter is amended*  
25    *by adding at the end thereof the following new item:*

“Sec. 6428. *Advance refund of section 42 credit.*”.

1       (c) *RETURNS OF TAXPAYERS RECEIVING ADVANCE*  
 2   *REFUND OF SECTION 42 CREDIT.*—Section 6011 (d) (re-  
 3   lating to interest equalization returns, etc.) is amended by  
 4   adding at the end thereof the following new paragraph:

5       “(4) *RETURNS OF TAXPAYERS RECEIVING AD-*  
 6   *VANCE REFUND OF SECTION 42 CREDIT.*—Every tax-  
 7   payer who elects to receive an advance refund of the  
 8   credit allowed by section 42 (relating to tax credit for  
 9   low-income workers with families) during the taxable  
 10   year shall file a return for that year, together with such  
 11   additional information as the Secretary or his delegate  
 12   may require.”.

13       (d) *DEVELOPMENT OF APPLICATION FORMS; COOP-*  
 14   *ERATION OF OTHER GOVERNMENT AGENCIES.*—

15       (1) *The Secretary of the Treasury shall develop*  
 16   *simple and expedient application forms and procedures*  
 17   *for use by taxpayers who wish to receive an advance*  
 18   *refund under section 6428 of the Internal Revenue Code*  
 19   *of 1954 (relating to advance refund of section 42*  
 20   *credit), arrange for distributing such forms and making*  
 21   *them easily available to taxpayers, and prescribe such*  
 22   *regulations as may be necessary to carry out the provi-*  
 23   *sions of sections 42 and 6428 of such Code. Each such*  
 24   *application form shall contain a warning that the making*

1 of a false or fraudulent statement thereon is a Federal  
2 crime.

3 (2) *The Secretary of the Treasury is authorized to*  
4 *obtain from any agency or department of the United*  
5 *States Government or of any State or political subdivi-*  
6 *sion thereof such information with respect to any tax-*  
7 *payer applying for or receiving benefits under section*  
8 *6428 of the Internal Revenue Code of 1954 (relating to*  
9 *advance refund of section 42 credit), or his spouse, as*  
10 *may be necessary for the proper administration of sec-*  
11 *tion 42 of the Internal Revenue Code of 1954 (relating*  
12 *to tax credit for low-income workers with families) and*  
13 *of section 6428 of such Code (relating to advance refund*  
14 *of section 42 credit). Notwithstanding any other provi-*  
15 *sion of law, each agency and department of the United*  
16 *States Government is authorized and directed to furnish*  
17 *to the Secretary such information upon request.*

18 (e) *AMENDMENT OF SOCIAL SECURITY ACT.—Section*  
19 *402(a)(7) of the Social Security Act is amended by insert-*  
20 *ing after “other income” the following: “(including any*  
21 *amounts derived from application of the tax credit established*  
22 *by section 42 of the Internal Revenue Code of 1954)”.*

23 (f) *EFFECTIVE DATE.—The amendments made by this*  
24 *section shall apply with respect to taxable years beginning*  
25 *after December 31, 1973, but no advance refund payment*

1 under section 6428 of the Internal Revenue Code of 1954  
2 shall be made before July 1, 1974.

3 *PART C—AMENDMENTS RELATED TO SUPPLEMENTAL*  
4 *SECURITY INCOME PROGRAM*

5 *INCREASE IN SUPPLEMENTAL SECURITY INCOME*

6 *BENEFITS*

7 *SEC. 121. (a)(1) Section 210(c) of Public Law 93-66*  
8 *is amended by striking out “June 1974” and inserting in*  
9 *lieu thereof “December 1973”.*

10 *(2) Section 211(a)(1)(A) of Public Law 93-66 is*  
11 *amended by striking out “(\$780 in the case of any period*  
12 *prior to July 1974)”.*

13 *(b) Effective with respect to payments for months after*  
14 *June 1974—*

15 *(1) section 1611(a)(1)(A) and section 1611(b)*  
16 *(1) of the Social Security Act (as enacted by section*  
17 *301 of the Social Security Amendments of 1972 and*  
18 *amended by section 210 of Public Law 93-66) are each*  
19 *amended by striking out “\$1,680” and inserting in lieu*  
20 *thereof “\$1,752”;*

21 *(2) section 1611(a)(2)(A) and section 1611(b)*  
22 *(2) of such Act (as so enacted and amended) are each*  
23 *amended by striking out “\$2,520” and inserting in lieu*  
24 *thereof “\$2,628”; and*

25 *(3) section 211(a)(1)(A) of Public Law 93-66*



(as amended by subsection (a)(2) of this section)  
is amended by striking out "\$840" and inserting in lieu  
thereof "\$876".

#### ELIGIBILITY OF SUPPLEMENTAL SECURITY INCOME

##### RECIPIENTS FOR FOOD STAMPS

SEC. 122. (a)(1) Section 3(e) of the Food Stamp Act  
of 1964 is amended to read as it did before amendment by  
Public Law 92-603 and Public Law 93-86, but with the  
addition of the following new sentence at the end thereof:

"No individual, who receives supplemental security income  
benefits under title XVI of the Social Security Act, State  
supplementary payments described in section 1616 of such  
Act, or payments of the type referred to in section 212(a) of  
Public Law 93-66, shall be considered to be a member of  
a household or an elderly person for purposes of this Act for  
any month during the 18-month period beginning January  
1, 1974, if, for such month, such individual resides in a State  
which provides State supplementary payments (A) of the  
type described in section 1616(a) of the Social Security  
Act, and (B) the level of which has been found by the Sec-  
retary of Health, Education, and Welfare to have been  
specifically increased so as to include the bonus value of food  
stamps."

(2) Section 3(b) of Public Law 93-86 is hereby re-  
pealed.

1       (b)(1) Section 4(c) of Public Law 93-86 is hereby  
2 repealed.

3       (2) The last sentence of section 416 of the Act of Oc-  
4 tober 31, 1949 (as added by section 411(g) of Public Law  
5 92-603) is hereby repealed.

6       (3) No individual, who receives supplemental security  
7 income benefits under title XVI of the Social Security Act,  
8 State supplementary payments described in section 1616 of  
9 such Act, or payments of the type referred to in section 212  
10 (a) of Public Law 93-66, shall be considered to be a member  
11 of a household for any purpose of the food distribution pro-  
12 gram for families under section 32 of Public Law 74-320,  
13 section 416 of the Agricultural Act of 1949, or any other  
14 law, for any month during the 18-month period beginning  
15 January 1, 1974, if, for such month, such individual resides  
16 in a State which provides State supplementary payments (A)  
17 of the type described in section 1616(a) of the Social Security  
18 Act, and (B) the level of which has been found by the  
19 Secretary of Health, Education, and Welfare to have been  
20 specifically increased so as to include the bonus value of food  
21 stamps.

22       (c) For purposes of the last sentence of section 3(e)  
23 of the Food Stamp Act of 1964 (as amended by subsection  
24 (a) of this section) and subsections (b)(3) and (f) of this  
25 section, the level of State supplementary payment under  
26 section 1616(a) shall be found by the Secretary to have been

1 specifically increased so as to include the bonus value of food  
2 stamps (1) only if, prior to October 1, 1973, the State has  
3 entered into an agreement with the Secretary or taken other  
4 positive steps which demonstrate its intention to provide sup-  
5 plementary payments under section 1616(a) at a level which  
6 is at least equal to the maximum level which can be deter-  
7 mined under section 401(b)(1) of the Social Security  
8 Amendments of 1972 and which is such that the limitation  
9 on State fiscal liability under section 401 does result in  
10 a reduction in the amount which would otherwise be payable  
11 to the Secretary by the State, and (2) only with respect to  
12 such months as the State may, at its option, elect.

13 (d) Section 401(b)(1) of the Social Security Amend-  
14 ments of 1972 is amended by striking out everything after  
15 the word "exceed" and inserting in lieu thereof: "a payment  
16 level modification (as defined in paragraph (2) of this sub-  
17 section) with respect to such plans."

18 (e) Section 401(b)(3) of the Social Security Amend-  
19 ments of 1972 is repealed.

20 (f) The amendments and repeals made by subsections  
21 (d) and (e) shall be effective January 1, 1974, except that  
22 such amendments and repeals shall not during the 18-month  
23 period beginning January 1, 1974, be effective in any State  
24 which provides supplementary payments of the type described  
25 in section 1616(a) of the Social Security Act the level of  
26 which has been found by the Secretary to have been specifi-

1 *cally increased so as to include the bonus value of food*  
 2 *stamps.*

3 *INDIVIDUALS DEEMED TO BE DISABLED UNDER THE*  
 4 *SUPPLEMENTAL SECURITY INCOME PROGRAM*

5 *SEC. 123. Section 1614(a)(3) of the Social Security*  
 6 *Act is amended—*

7 *(1) by striking out the last sentence of subpara-*  
 8 *graph (A); and*

9 *(2) by inserting at the end thereof the following*  
 10 *new subparagraph:*

11 *“(E) Notwithstanding the provisions of subpara-*  
 12 *graphs (A) through (D), an individual shall also be*  
 13 *considered to be disabled for purposes of this title if he*  
 14 *is permanently and totally disabled as defined under a*  
 15 *State plan approved under title XIV or XVI as in effect*  
 16 *for October 1972 and received aid under such plan (on*  
 17 *the basis of disability) for December 1973 (and for at*  
 18 *least one month prior to July 1973), so long as he is*  
 19 *continuously disabled as so defined.”.*

20 *SUPPLEMENTAL SECURITY INCOME RECIPIENT LIVING*  
 21 *IN AID TO FAMILIES WITH DEPENDENT CHILDREN*  
 22 *HOUSEHOLD*

23 *SEC. 124. (a) Section 212(a)(3)(A) of Public Law*  
 24 *93-66 is amended by striking out “subparagraph (D)” and*  
 25 *inserting in lieu thereof “subparagraphs (D) and (E)”.*

26 *(b) Section 212(a)(3) of Public Law 93-66 is*



1 amended by adding at the end thereof the following new sub-  
2 paragraph:

3       “(E)(i) In the case of an individual who, for Decem-  
4 ber 1973 lived as a member of a family unit other members of  
5 which received aid (in the form of money payments) under a  
6 State plan of a State approved under part A of title IV  
7 of the Social Security Act, such State at its option, may (sub-  
8 ject to clause (ii)) reduce such individual's December 1973  
9 income (as determined under subparagraph (B)) to such  
10 extent as may be necessary to cause the supplementary pay-  
11 ment (referred to in paragraph (2)) payable to such in-  
12 dividual for January 1974 or any month thereafter to be  
13 reduced to a level designed to assure that the total income of  
14 such individual (and of the members of such family unit)  
15 for any month after December 1973 does not exceed the total  
16 income of such individual (and of the members of such  
17 family unit) for December 1973.

18       “(ii) The amount of the reduction (under clause (i))  
19 of any individual's December 1973 income shall not be in  
20 an amount which would cause the supplementary payment  
21 (referred to in paragraph (2)) payable to such individual  
22 to be reduced below the amount of such supplementary pay-  
23 ment which would be payable to such individual if he had, for  
24 the month of December 1973 not lived in a family unit re-  
25 ferred to in clause (i), and had had no income for such month



1 *other than that received as aid or assistance under a State*  
2 *plan approved under title I, X, XIV, or XVI of the Social*  
3 *Security Act."*

4 *DISREGARDING OF CERTAIN PAYMENTS IN DETERMINING*  
5 *AMOUNT OF SUPPLEMENTAL SECURITY INCOME BEN-*  
6 *EFITS*

7 *SEC. 125. Section 1612(b)(2) of the Social Security*  
8 *Act (as enacted by section 301 of the Social Security Amend-*  
9 *ments of 1972) is amended—*

10 *(1) by inserting "(A)" immediately after "(2)",*  
11 *and*

12 *(2) by adding at the end thereof the following new*  
13 *subparagraph:*

14 *"(B) monthly (or other periodic) payments re-*  
15 *ceived by an individual (or his eligible spouse) under a*  
16 *program established prior to July 1, 1973, if such*  
17 *payments are made by the State of which the individual*  
18 *receiving such payments is a resident, and if eligibility of*  
19 *any individual for such payments is not based on need*  
20 *and is based solely on attainment of age 65 and duration*  
21 *of residence in excess of 24 years in such State by such*  
22 *individual;".*

23 *CONTINUATION OF CERTAIN DEMONSTRATION PROJECTS*

24 *SEC. 126. (a) If any State (other than the Common-*  
25 *wealth of Puerto Rico, the Virgin Islands, or Guam) has*

1 any experimental, pilot, or demonstration project (referred  
2 to in section 1115 of the Social Security Act)—

3 (1) which (prior to October 1, 1973) has been  
4 approved by the Secretary of Health, Education, and  
5 Welfare (hereinafter in this section referred to as the  
6 “Secretary”), for a period which ends on or after De-  
7 cember 31, 1973, as being a project with respect to which  
8 the authority conferred upon him by subsection (a) or  
9 (b) of such section 1115 will be exercised, and

10 (2) with respect to the costs of which Federal finan-  
11 cial participation would (except for the provisions of  
12 this section) be denied or reduced on account of the en-  
13 actment of section 301 of the Social Security Amend-  
14 ments of 1972,

15 then, for any period (after December 31, 1973) with re-  
16 spect to which such project is approved by the Secretary,  
17 Federal financial participation in the costs of such project  
18 shall be continued in like manner as if—

19 (3) such section 301 had not been enacted, and

20 (4) such State (for the month of January 1974  
21 and any month thereafter) continued to have in effect the  
22 State plan (approved under title XVI) which was in  
23 effect for the month of October 1973, or the State plans  
24 (approved under titles I, X, and XIV of the Social

1       *Security Act) which were in effect for such month, as the*  
2       *case may be.*

3       *(b) With respect to individuals—*

4             *(1) who are participants in any project to which*  
5       *the provisions of subsection (a) are applicable, and*

6             *(2) with respect to whom supplemental security in-*  
7       *come benefits are (or would, except for their participa-*  
8       *tion in such project, be) payable under title XVI of the*  
9       *Social Security Act, or who meet the requirements for*  
10       *aid or assistance under a State plan approved under*  
11       *title I, X, XIV, or XVI of the Social Security Act of*  
12       *the State in which such project is conducted (as such*  
13       *State plan was in effect for July 1973),*

14       *the Secretary may waive such requirements of title XVI of*  
15       *such Act (as enacted by section 301 of the Social Security*  
16       *Amendments of 1972) to such extent as he determines to be*  
17       *necessary to the successful operation of such project.*

18       *(c) In the case of any State which has entered into*  
19       *an agreement with the Secretary under section 1616 of the*  
20       *Social Security Act (or which is deemed, under section 212*  
21       *(d) of Public Law 93-66, to have entered into such an*  
22       *agreement), then, of the costs of any project of such State*  
23       *with respect to which there is (solely by reason of the provi-*  
24       *sions of subsection (a)) Federal financial participation, the*  
25       *non-Federal share thereof shall—*

(1) be paid, from time to time, to such State by the Secretary, and

(2) shall, for purposes of section 1616(d) of the Social Security Act and section 401 of the Social Security Amendments of 1972, be treated in like manner as if such non-Federal share were supplementary payments made by the Secretary on behalf of such State pursuant to such agreement.

AUTHORITY FOR SURVIVING SPOUSE OF DECEASED SSI  
BENEFICIARY TO CASH JOINT CHECK

SEC. 127. Section 1631(d)(1) of the Social Security Act is amended by striking out "and (f)" and inserting in lieu thereof "(f), and (n)".

ARRANGEMENTS WITH STATES TO ACT AS THE SECRETARY'S AGENT IN MAKING BENEFITS PAYMENTS

SEC. 128. (a) Section 1631(a) of the Social Security Act is amended by adding the following new subsection:

"(g) The Secretary may enter into arrangements with States under which such States will in emergency circumstances act as the Secretary's agent in making benefit payments under this title. The cost of any such paymentse made by States under such arrangements shall be reimbursed by the Secretary."

(b) Subsection (a) of this section shall be effective January 1, 1974.

1    *DISREGARD, UNDER MANDATORY MINIMUM STATE SUPPLE-*  
2        *MENTATION OF SSI BENEFITS PROGRAM, OF SUPPLE-*  
3        *MENTAL SECURITY INCOME INCREASES AND OF OLD-*  
4        *AGE, SURVIVORS, AND DISABILITY INSURANCE IN-*  
5        *CREASES*

6        *SEC. 129. For purposes of determining, under section*  
7    *212(a)(3)(C) of Public Law 93-66, the amount of any*  
8    *income of any individual for any month referred to in such*  
9    *section, there shall be disregarded (1) in the case of any*  
10   *individual, so much of any supplemental security income*  
11   *benefit payable under title XVI of the Social Security Act to*  
12   *such individual for such month as is attributable to any*  
13   *increase in supplemental security income benefits payable*  
14   *under such title resulting from the enactment of section 210 of*  
15   *Public Law 93-66 (or any provision contained in the pre-*  
16   *ceding provisions of this title), and (2) in the case of any*  
17   *individual who for such month receives a monthly insurance*  
18   *benefit to which he is entitled under title II of such Act, so*  
19   *much of such monthly benefit as is attributable to any increase*  
20   *in social security benefits resulting from the enactment of sec-*  
21   *tion 201 of Public Law 93-66 (or any provision contained*  
22   *in the preceding provisions of this title), and (3) in the case*  
23   *of any individual who is entitled to annuity or pension*  
24   *under the Railroad Retirement Act of 1937 or the Railroad*  
25   *Retirement Act of 1935, so much of the regular monthly pay-*



1 ment to which such individual is entitled as annuity or pen-  
 2 sion thereunder by reason of the first proviso in section 3(e)  
 3 of the Railroad Retirement Act of 1937 which results from the  
 4 enactment of section 201 of Public Law 93-66 (or any  
 5 provision contained in the preceding provisions of this title).

6 *EXCLUSION FROM RESOURCES OF INDIVIDUAL'S HOME*

7 *SEC. 130.* Section 1613(a)(1) of the Social Security  
 8 Act is amended by inserting "(after taking into account the  
 9 values of other homes in the region and area in which such  
 10 home is located)" after "determines".

11 *DETERMINATION OF INCOME IN CASE OF INDIVIDUAL*

12 *LIVING IN HOME OF ANOTHER PERSON*

13 *SEC. 130A.* Section 1612(a)(2)(A) of the Social Secu-  
 14 rity Act is amended by striking out "shall be reduced by  
 15 33 $\frac{1}{3}$  percent in lieu of including such support and mainte-  
 16 nance in the unearned income of such individual (and such  
 17 spouse) as otherwise required by this subparagraph" and  
 18 inserting in lieu thereof the following: "shall, in lieu of in-  
 19 cluding such support and maintenance in the unearned in-  
 20 come of such individual (and such spouse) as otherwise  
 21 required by this subparagraph, be reduced by an amount  
 22 equal to 33 $\frac{1}{3}$  percent (except that the amount of any reduc-  
 23 tion under this subparagraph with respect to any such indi-  
 24 vidual (and spouse) shall be reduced, but not by more than  
 25 100 percent, by the amount, if any, actually paid by such

1 individual (and spouse) to such person for the support and  
2 maintenance received in kind from such person)".

3 VALUE OF RESOURCES TO BE REDUCED BY ENCUMBRANCES  
4 THEREON

5 SEC. 130B. The last sentence of section 1613(a) of the  
6 Social Security Act is amended (1) by inserting "(1)"  
7 immediately after "individual (or eligible spouse)", and (2)  
8 by inserting immediately before the period at the end thereof  
9 the following: ", and (2) the value of any resource which  
10 has an encumbrance thereon shall be deemed to be the value  
11 of such resource as reduced by such encumbrance".

12 EXCLUSION FROM INCOME OF CERTAIN EDUCATION EX-  
13 PENSES PAID FOR BY GRANTS, FELLOWSHIPS, OR  
14 SCHOLARSHIPS

15 SEC. 130C. Section 1612(b)(7) of the Social Security  
16 Act is amended by inserting, immediately before the period  
17 at the end thereof, the following: ", for use in paying for  
18 books, supplies, and services needed in connection with at-  
19 tendence at such institution, or for use to defray other  
20 expenses reasonably attributable to attendance at such insti-  
21 tution but including, in the case of living expenses, only so  
22 much thereof as is in excess of the living expenses which  
23 would have been incurred by or with respect to such individ-  
24 ual if he had not been attending such institution".

1        *PART D—SOCIAL SERVICES AMENDMENTS*

2        *AMENDMENTS TO PROVISION LIMITING FEDERAL FUNDS*

3                    *FOR SOCIAL SERVICES*

4        *SEC. 131. (a) Section 1130 of the Social Security Act*  
5        *is amended by redesignating subsection (c) as subsection*  
6        *(f), and by inserting after subsection (b) the following new*  
7        *subsections:*

8            *“(c) Nothing in subsection (a) or (b) of this section or*  
9        *in title I, IV, VI, X, XIV, or XVI shall be construed to*  
10       *restrict the freedom of a State (with respect to social services*  
11       *the cost of which is shared by the Federal Government under*  
12       *any such title and to which subsections (a) and (b) are ap-*  
13       *plicable) to determine what services it will make available*  
14       *under its State plan approved under such title, the persons*  
15       *eligible for such services, the manner in which such services*  
16       *are provided, and any limitations or conditions on the receipt*  
17       *of such services, to the extent that such services are social serv-*  
18       *ices (as determined by the State) and the Federal share of*  
19       *their aggregate cost does not exceed the allocation to the State*  
20       *(for the fiscal year involved) under this section (or section*  
21       *132 of the Social Security Amendments of 1973); except that*  
22       *nothing in this subsection shall be construed to relieve any*  
23       *State which has a State plan approved under part A of title*  
24       *IV from complying with the requirements imposed by section*

1 402(a) with respect to the provision of social services to re-  
2 cipients of aid under such plan.

3 “(d) For purposes of subsection (c) and for purposes  
4 of part A of title IV, VI, X, XIV, and XVI, the services  
5 referred to in subsection (c) as ‘social services’—

6 “(1) shall be such services as each State determines  
7 to be appropriate for meeting any of the following  
8 specific goals:

9 “(A) Self-support goal: To achieve and main-  
10 tain the maximum feasible level of employment and  
11 economic self-sufficiency;

12 “(B) Family-care or self-care goal: To  
13 strengthen family life and to achieve and maintain  
14 maximum personal independence, self-determination,  
15 and security in the home, including, for children,  
16 the achievement of maximum potential for eventual  
17 independent living, and to prevent or remedy neglect,  
18 abuse, or exploitation of children;

19 “(C) Community-based care goal: To secure  
20 and maintain community-based care which approxi-  
21 mates a home environment, when living at home is  
22 not feasible and institutional care is inappropriate;  
23 or

24 “(D) Institutional care goal: To secure appro-

1        *priate institutional care when other forms of care are*  
2        *not feasible; and*

3        *“(2) include the following services:*

4                *“(A) child care services for children, to meet*  
5        *the needs of a child for personal care, protection, and*  
6        *supervision, but only in the case of a child where the*  
7        *provision of such service is needed (i) in order to*  
8        *enable a member of such child's family to accept or*  
9        *continue in employment, or to participate in educa-*  
10       *tion or training to prepare such member for em-*  
11       *ployment, or (ii) because of the death, continued*  
12       *absence from the home, incapacity or inability of*  
13       *the child's mother, or the inability of any member of*  
14       *such child's family to provide adequate care and*  
15       *supervision for such child;*

16                *“(B) child care services for children with spe-*  
17       *cial needs, including services provided when appro-*  
18       *priate, as determined by the State, for eligible chil-*  
19       *dren who are mentally retarded or otherwise have*  
20       *special social or developmental needs;*

21                *“(C) services for children in foster care, in-*  
22       *cluding services provided to a child who is under or*  
23       *awaiting foster care and including preventive diag-*  
24       *nostic and curative health services not furnished un-*



1        *der the State's title XIX plan, provided to or on be-*  
2        *half of a child who is or has within ninety days*  
3        *been receiving maintenance, care, and supervision*  
4        *in the form of foster care in a foster family home or*  
5        *child care institution (as those terms are defined in*  
6        *the last paragraph of section 408) or who is await-*  
7        *ing placement in such a home or institution, or pro-*  
8        *vided to a child in or by a nonresidential diagnostic*  
9        *or treatment facility. Such services shall be available*  
10       *whether they are rendered directly by the providers*  
11       *of foster care or by the nonresidential facility, or are*  
12       *otherwise provided or obtained for the child by the*  
13       *State when such services are needed in order for the*  
14       *child to return to or remain in his own home, the*  
15       *home of another relative, or an adoptive home, or*  
16       *to continue in foster care as appropriate. Such serv-*  
17       *ices also include services related to the relinquish-*  
18       *ment of children for adoption and the placement of*  
19       *children in adoptive homes, and activities to develop*  
20       *and recruit, study, approve, and subsequently eval-*  
21       *uate out of home care resources for foster care;*

22        *“(D) protective services for children, including*  
23        *multidisciplinary (medical, legal, social, and other)*  
24        *services for the following purposes: identification,*  
25        *investigation, and response to incidents or evidence*

1 of neglect, abuse, or exploitation of a child; helping  
2 parents and others to recognize the causes thereof  
3 and strengthening the ability of families to provide  
4 acceptable care; or, if that is not possible, bringing  
5 the situation to the attention of appropriate courts  
6 or law enforcement agencies, furnishing relevant  
7 data, and providing followup services;

8 “(E) family planning services (including so-  
9 cial, educational, and medical services for any fe-  
10 male of child-bearing age and any other appropriate  
11 individual needing such services): Provided, That  
12 individuals must be assured choice of method, and  
13 acceptance of any such services must be voluntary  
14 on the part of the individual and may not be a pre-  
15 requisite or impediment to eligibility for any other  
16 service;

17 “(F) protective services for adults, including  
18 identifying and helping to correct hazardous living  
19 conditions or situations of potential or actual neglect  
20 or exploitation of an individual who is unable to  
21 protect or care for himself;

22 “(G) services for adults in foster care not avail-  
23 able under titles XVI, XVIII, and XIX, services for  
24 adults in twenty-four-hour foster homes or group  
25 care in other than medical institutions, including

1       *assessment of need for such care, finding of foster*  
2       *homes and institutional resources, making arrange-*  
3       *ments for placement, supervision, and periodic review*  
4       *while in placement, counseling services for the adult*  
5       *individuals and their families, and services to assist*  
6       *adults in leaving foster care to attain independent*  
7       *living;*

8               *“(H) homemaker services for individuals in*  
9       *their own homes, including helping individuals to*  
10       *overcome specific barriers to maintaining, strengthen-*  
11       *ing, and safeguarding their functioning in the home,*  
12       *through the services of a trained and supervised*  
13       *homemaker;*

14               *“(I) chore services including the performance*  
15       *of household tasks, essential shopping, simple house-*  
16       *hold repairs, and other light work necessary to enable*  
17       *an individual to remain in his own home when he is*  
18       *unable to perform such tasks himself and they do not*  
19       *require the services of a trained homemaker or other*  
20       *specialist;*

21               *“(J) home delivered or congregate meals and*  
22       *the preparation and delivery of hot meals to an indi-*  
23       *vidual in his home or in a central dining facility, to*  
24       *assist the individual to remain in his home, and to*  
25       *assure sound nutrition;*

1           “(K) day care services for adults, including  
2 meal preparation and serving, companionship, edu-  
3 cational and recreational activities, and rehabilitation  
4 activity when provided for less than a twenty-four-  
5 hour period in a group or family setting;

6           “(L) health-related services, including helping  
7 individuals to identify health (including mental  
8 health) needs and assisting individuals to secure  
9 diagnostic, preventive, remedial, ameliorative, and  
10 other needed health services and helping to expedite  
11 return to community living from institutional care  
12 when discharge is medically recommended;

13           “(M) home management and other functional  
14 educational services, including formal or informal  
15 instruction and training in management of house-  
16 hold budgets, maintenance and care of the home,  
17 preparation of food, nutrition, consumer education,  
18 child rearing, and health maintenance:

19           “(N) housing improvement services, including  
20 helping individuals to obtain or retain adequate  
21 housing, and minor repairs necessary for personal  
22 protection;

23           “(O) a full range of legal services, at the op-  
24 tion of the State, for persons desiring assistance with  
25 legal problems, including services to establish pa-

1        *ternity and child support and services related to*  
2        *adoption;*

3            *“(P) transportation services necessary to travel*  
4        *to and from community facilities or resources for*  
5        *receipt of services;*

6            *“(Q) educational and training services for*  
7        *adult family members and services to assist chil-*  
8        *dren to obtain education and training to their fullest*  
9        *capacities, where there are needs not met by the work*  
10       *incentive program; and vocational rehabilitation*  
11       *services as defined in the Vocational Rehabilitation*  
12       *Act when provided pursuant to an agreement with*  
13       *the State agency administering the vocational re-*  
14       *habilitation program;*

15           *“(R) employment services to enable individuals*  
16       *to secure paid employment or training leading to*  
17       *such employment, including vocational, educational,*  
18       *social, and psychological diagnostic assessments to*  
19       *determine potential for job training or employment*  
20       *and other services that will assist in the individual’s*  
21       *plan for achieving full or partial self-support, where*  
22       *there are needs not met by the work incentive*  
23       *program;*

24           *“(S) information, referral, followup and de-*



1       *termination of eligibility and the need for services,*  
2       *without regard to individual eligibility criteria;*

3           “(T) *special services for the mentally retarded,*  
4       *or special adaptations of generic services, directed*  
5       *toward alleviating a developmental handicap or*  
6       *toward the social, personal, or economic habilitation*  
7       *of an individual of subaverage intellectual function-*  
8       *ing associated with impairment of adaptive behavior*  
9       *as defined and determined by the State agency, with*  
10       *such services including but not limited to personal*  
11       *care, day care, training, sheltered employment, rec-*  
12       *reation, counseling of the retarded individual and*  
13       *his family, protective and other social and socio-*  
14       *legal services, information and referral, follow along*  
15       *services, transportation necessary to deliver such*  
16       *services, diagnostic and evaluation services, and sim-*  
17       *ilar special services for other individuals requiring*  
18       *such services because of developmental disability;*

19           “(U) *special services for the blind to alleviate*  
20       *the handicapping effects of blindness through train-*  
21       *ing in mobility, personal care, home management,*  
22       *and communication skills; special aids and appli-*  
23       *ances; and special counseling for caretakers of blind*  
24       *children and adults;*

1           “(V) services for alcoholism and drug addiction  
2           for an individual who is becoming dependent on or is  
3           addicted to alcohol or other drugs as determined by  
4           the standards set by the State agency designated by  
5           the State under the Comprehensive Alcohol Abuse  
6           and Treatment Act of 1970 and the Drug Abuse and  
7           Treatment Act of 1972, if such services are needed  
8           as part of a program for prevention or treatment of  
9           addiction or the conditions arising from misuse of  
10          alcohol or other drugs, including but not limited to  
11          social and rehabilitative services for resident patients  
12          receiving services in a supportive environment (such  
13          as a halfway house, hostel, or foster home) and  
14          including medical services (such as psychiatric  
15          services) incidental to the provision of a social  
16          service;

17          “(W) special services for the emotionally dis-  
18          turbed as defined by the State;

19          “(X) special services for the physically handi-  
20          capped as defined by the State; and

21          “(Y) any other services which the State finds  
22          appropriate for meeting the goals of self-support,  
23          family care or self-care, community-based care, or  
24          institutional care.

1       “(e)(1) *Effective July 1, 1974, Federal financial*  
2 *assistance which is subject to the limitation imposed by*  
3 *subsections (a) and (b) shall be available for a new*  
4 *purchase of services from a public agency (other than the*  
5 *single State agency) only for services beyond those repre-*  
6 *sented by the expenditures for the previous fiscal year of*  
7 *the provider agency (or its predecessor) for the type of*  
8 *service and type of persons covered by the agreement.*

9       “(2) *A purchase of services in any fiscal year shall*  
10 *not be considered a new purchase of services to the extent*  
11 *that an equivalent purchase of services from the same pro-*  
12 *vider agency (or its predecessor) was made in any of the*  
13 *three preceding fiscal years and was included in the ex-*  
14 *penditures for which Federal financial participation was*  
15 *provided under titles I, VI, X, XIV, or XVI, or Part A*  
16 *of title IV.”*

17       **(b)** *Subsection (a) of section 1130 of such Act is*  
18 *amended by striking out the matter therein which begins with*  
19 *“to assure that—” and ends with the period at the end thereof,*  
20 *and inserting in lieu of the matter stricken the following:*  
21 *“to assure that the total amount paid to such State (under*  
22 *all of such sections) for such fiscal year for such services*  
23 *does not exceed the allotment of such State (as determined*  
24 *under subsection (b)).”*

1 SPECIAL FEDERAL SOCIAL SERVICES FUNDING LIMIT  
2 FOR FISCAL YEAR 1974

3        SEC. 132. (a) In the administration of section 1130  
4 of the Social Security Act, the allotment of each State (as  
5 determined under subsection (b) of such section) for the  
6 fiscal year ending June 30, 1974, shall (notwithstanding  
7 any provision of such section 1130) be adjusted so that the  
8 amount of such allotment for such year is equal to whichever  
9 of the following is the lesser: (1) the allotment of such State  
10 as determined under subsection (b) of such section, or (2)  
11 the allotment of such State as determined under subsections  
12 (b) and (d) of this section.

13 (b)(1) For the fiscal year ending June 30, 1974, the  
14 Secretary shall allot to each State—

(A) an amount equal to 400 per centum of the amount payable to such State with respect to the total expenditures incurred by the State for services (of the type, and under the programs to which the allotment, as determined under subsection (b) of section 1130 of the Social Security Act, is applicable) for the calendar quarter commencing July 1, 1973, plus

22 (B) an amount which bears the same ratio to the  
23 amount (if any) by which—

24 (i) \$1,850,000,000 exceeds

1           (ii) the aggregate of the amounts allotted to all  
2           States under clause (A),  
3           as the population of such State bears to the population of  
4           all States.

5           (2) If the aggregate of the allotments made pursuant to  
6           paragraph (1) is in excess of \$1,900,000,000, the Secretary  
7           shall reduce the allotment of each State, on a pro rata basis,  
8           until the aggregate of the allotments for all States does not  
9           exceed \$1,900,000,000.

10          (c)(1) In addition to the amount allotted to any State  
11          under the preceding subsections of this section for the fiscal  
12          year ending June 30, 1974, the Secretary may make an  
13          additional allotment for such year to such State in accordance  
14          with this subsection.

15          (2) The aggregate of the allotments made pursuant to  
16          this subsection shall not exceed the lesser of (A) \$50,000,000  
17          or (B) the amount by which the aggregate of the amounts al-  
18          located under subsection (b) is less than \$1,900,000,000.

19          (3) Allotments under this subsection shall be made, in  
20          the following order of priority, to such States and in such  
21          amounts as the Secretary deems to be appropriate—

22               (A) first, in order to assure that, for the fiscal year  
23               ending June 30, 1974, no State is paid less from Federal  
24               funds with respect to expenditures incurred by it for



1      *services (of the type, and under the programs to which*  
2      *the allotment of such State, as determined under subsec-*  
3      *tion (b) of section 1130 of the Social Security Act, is*  
4      *applicable) than such State was paid from Federal*  
5      *funds with respect to such expenditures for the fiscal*  
6      *year ending June 30, 1973: Provided, That no payment*  
7      *under this clause shall exceed the amount by which the*  
8      *allotment applicable to such State for the fiscal year end-*  
9      *ing June 30, 1973 under section 1130(b) of the Social*  
10     *Security Act was increased by reason of the enactment of*  
11     *section 403 of the Social Security Amendments of 1972,*

12             *(B) second, provide additional Federal financial*  
13     *assistance to any State (I) the allotment of which, as*  
14     *determined under subsection (b), is substantially less*  
15     *than the allotment of such State under section 1130 of*  
16     *the Social Security Act (as determined without regard*  
17     *to this section), and (II) which can demonstrate (to*  
18     *the satisfaction of the Secretary) that it had, prior to*  
19     *November 15, 1973, planned an expansion of its social*  
20     *services programs during the remainder of the fiscal*  
21     *year ending June 30, 1974, which would require such*  
22     *additional Federal financial assistance, except that the*  
23     *amount of the allotment made to any State under this*  
24     *subparagraph shall not exceed an amount which, when*  
25     *added to its allotment as determined under subsections*

1       (b) and (d) of this section, is equal to its allotment  
2       determined under section 1130 of the Social Security Act  
3       (as determined without regard to this section), and

4       (C) third, to provide additional Federal financial  
5       assistance to States which can demonstrate (to the satis-  
6       faction of the Secretary) that if an allotment is made to  
7       such State under this subparagraph, the amount of such  
8       allotment will be utilized so as to produce a significant  
9       cost benefit (as determined pursuant to regulations which  
10      shall be promulgated by the Secretary).

11      (d)(1) If the Secretary determines that the amount of  
12      the allotment (as determined under the preceding provisions of  
13      this section) of any State is in excess of the amount needed by  
14      the State for purposes for which such allotment is made, he  
15      shall reallocate the amount of such excess among other States each  
16      of which has need (for purposes for which the allotment under  
17      the preceding provisions of this section is made) of amounts  
18      in excess of the amount of its allotment (as determined under  
19      the preceding provisions of this section).

20      (2) Whenever amounts are reallocated among States by  
21      the Secretary pursuant to paragraph (1), the amount re-  
22      allocated to each such State shall bear the same ratio to the total  
23      amount being reallocated as the population of such State bears  
24      to the population of all the States to which such reallocation is  
25      being made.

1       (3) Any amount reallocated to a State under this sub-  
2 section shall be added to and deemed a part of such State's  
3 allotment (as determined under the provisions of this section  
4 which precede this subsection), and shall be subject to realloc-  
5 ment, under the preceding provisions of this subsection in  
6 like manner as such State's allotment (as so determined).

## 7 AMENDMENTS TO STATE PLAN REQUIREMENTS

8 *REGARDING SOCIAL SERVICES*

9 SEC. 133. (a)(1) Section 3(a)(4) of the Social Se-  
10 curity Act is amended—

11           (A) by striking out “whose State plan approved  
12           under section 2 meets the requirements of subsection  
13           (c)(1)” in the matter preceding subparagraph (A);

14 (B) by striking out clauses (i), (ii), and (iii) of  
15 subparagraph (A) and inserting in lieu thereof the fol-  
16 lowing:

17                   “(i) services which are provided to appli-  
18                   cants for or recipients of assistance under the  
19                   plan to help them attain or retain capability  
20                   for self-care, or

21 “(ii) other services which (as determined  
22 by the State) are likely to prevent or reduce  
23 dependency and which are provided to such  
24 applicants or recipients, or

25 “(iii) any of the services described in

1           *clauses (i) and (ii) which the State determines*  
 2           *to be appropriate for individuals who have been*  
 3           *or are likely to become (as determined by the*  
 4           *State) applicants for or recipients of assistance*  
 5           *under the plan, if such services are requested by*  
 6           *and provided to such individuals, or”;*

7           *(C) by striking out subparagraph (B) and re-*  
 8           *designating subparagraph (C) as subparagraph (B);*  
 9           *and*

10          *(D) by striking out all that follows subparagraph*  
 11          *(C).*

12          *(2) Section 3(a)(5) of such Act is repealed.*

13          *(3) Section 3(c) of such Act is repealed.*

14          *(b) Section 403(a)(3) of the Social Security Act is*  
 15          *amended—*

16           *(1) by striking out “described in”, in subparagraph*  
 17           *(A)(i), and inserting in lieu thereof “which the State*  
 18           *determines should be provided, including those described*  
 19           *in”;*

20           *(2) by striking out “clauses (14) and (15) of sec-*  
 21           *tion 402(a)”, in subparagraph (A)(ii), and inserting*  
 22           *in lieu thereof “subparagraph (A)(i)”;*

23           *(3) by striking out “, within such period or periods*  
 24           *as the Secretary may prescribe,” in subparagraph (A)*

1       (ii), and inserting in lieu thereof “as determined by the  
2       State”; and

3       (4) by striking out all that follows subparagraph  
4       (B).

5       (c)(1) Section 1003(a)(3) of the Social Security Act  
6       is amended—

7       (A) by striking out “whose State plan approved  
8       under section 1002 meets the requirements of subsection  
9       (c)(1)” in the matter preceding subparagraph (A);

10       (B) by striking out clauses (i), (ii), and (iii) of  
11       subparagraph (A) and inserting in lieu thereof the fol-  
12       lowing:

13               “(i) services which are provided to appli-  
14               cants for or recipients of aid to the blind to help  
15               them attain or retain capability for self-support  
16               or self-care, or

17               “(ii) other services which (as determined  
18               by the State) are likely to prevent or reduce  
19               dependency and which are provided to such  
20               applicants or recipients, or

21               “(iii) any of the services described in  
22               clauses (i) and (ii) which the State determines  
23               to be appropriate for individuals who have been  
24               or are likely to become (as determined by the  
25               State) applicants for or recipients of aid to



1           *the blind, if such services are requested by*  
 2           *and provided to such individuals, or”;*

3           *(C) by striking out subparagraph (B) and redesign-*  
 4           *ating subparagraph (C) as subparagraph (B); and*  
 5           *(D) by striking out all that follows subparagraph*  
 6           *(C).*

7           *(2) Section 1003(a)(4) of such Act is repealed.*

8           *(3) Section 1003(c) of such Act is repealed.*

9           *(d)(1) Section 1403(a)(3) of the Social Security Act*  
 10          *is amended—*

11           *(A) by striking out “whose State plan approved*  
 12           *under section 1402 meets the requirements of subsection*  
 13           *(c)(1)” in the matter preceding subparagraph (A);*

14           *(B) by striking out clauses (i), (ii), and (iii)*  
 15           *of subparagraph (A) and inserting in lieu thereof the*  
 16           *following:*

17                   *“(i) services which are provided to appli-*  
 18                   *cants for or recipients of aid to the permanently*  
 19                   *and totally disabled to help them attain or re-*  
 20                   *tain capability for self-support or self-care, or*

21                   *“(ii) other services which (as determined*  
 22                   *by the State) are likely to prevent or reduce*  
 23                   *dependency and which are provided to such ap-*  
 24                   *plicants or recipients, or*

25                   *“(iii) any of the services described in clauses*

1           *clauses (i) and (ii) which the State determines*  
 2           *to be appropriate for individuals who have been*  
 3           *or are likely to become (as determined by the*  
 4           *State) applicants for or recipients of aid to the*  
 5           *permanently and totally disabled, if such serv-*  
 6           *ices are requested by and provided to such*  
 7           *individuals, or”;*

8           *(C) by striking out subparagraph (B) and redes-*  
 9           *ignating subparagraph (C) as subparagraph (B); and*  
 10          *(D) by striking out all that follows subparagraph*  
 11          *(C).*

12          *(2) Section 1403(a)(4) of such Act is repealed.*

13          *(3) Section 1403(c) of such Act is repealed.*

14          *(e)(1) Section 1603(a)(4) of the Social Security Act*  
 15          *is amended—*

16           *(A) by striking out “whose State plan approved*  
 17           *under section 1602 meets the requirements of subsec-*  
 18           *tion (c)(1)” in the matter preceding subparagraph*  
 19           *(A);*

20           *(B) by striking out clauses (i), (ii), and (iii) of*  
 21           *subparagraph (A) and inserting in lieu thereof the*  
 22           *following:*

23                   *“(i) services which are provided to appli-*  
 24                   *cants for or recipients of aid or assistance under*

the plan to help them attain or retain capability  
for self-support or self-care, or

“(ii) other services which (as determined  
by the State) are likely to prevent or reduce  
dependency and which are provided to such  
applicants or recipients, or

“(iii) any of the services described in  
clauses (i) and (ii) which the State determines  
to be appropriate for individuals who have been  
or more likely to become (as determined by the  
State) applicants for or recipients of aid or  
assistance under the plan, if such services are  
requested by and provided to such individuals,  
or”;

(C) by striking out subparagraph (B) and redesi-  
gnating subparagraph (C) as subparagraph (B); and

(D) by striking out all that follows subparagraph  
(C).

(2) Section 1603(a)(5) of such Act is repealed.

(3) Section 1603(c) of such Act is repealed.

(f)(1) Section 603(a) of the Social Security Act (as  
added by the Social Security Amendments of 1972) is  
amended to read as follows:

“(a) From the sums appropriated therefor, the Secretary

1 shall, subject to section 1130, pay to each State which has  
2 a plan approved under this title, for each quarter, an amount  
3 equal to the sum of the following proportions of the total  
4 amounts expended during such quarter as found necessary  
5 by the Secretary of Health, Education, and Welfare for the  
6 proper and efficient administration of the State plan—

7       “(1) 75 per centum of so much of such expendi-  
8       tures as are for—

9               “(A) services which are provided to applicants  
10              for or recipients of supplemental security income  
11              benefits under title XVI to help them attain or re-  
12              tain capability for self-support or self-care, or

13              “(B) other services which (as determined by  
14              the State) are likely to prevent or reduce dependency  
15              and which are provided to such applicants or recipi-  
16              ents, or

17              “(C) any of the services described in clause  
18              (A) or (B) which the State determines to be appro-  
19              priate for individuals who have been or are likely to  
20              become (as determined by the State) applicants for  
21              or recipients of supplemental security income bene-  
22              fits under title XVI, if such services are requested by  
23              and provided to such individuals, or

24              “(D) the training of personnel employed or  
25              preparing for employment by the State agency or

by the local agency administering the plan in the political subdivision; plus

“(2) one-half of the remainder of such expenditures.”

(2) Section 603(c) of such Act is repealed.

(g) Section 1130(a) of the Social Security Act is amended by striking out “section 3(a) (4) and (5), 403(a)(3), 1003(a) (3) and (4), 1403(a) (3) and (4), or 1603(a) (4) and (5)” and inserting in lieu thereof “section 3(a)(4), 403(a)(3), 1003(a)(3), 1403(a)(3), or 1603(a)(4)”.

#### ANNUAL REPORTS BY SECRETARY ON SOCIAL SERVICES

SEC. 1134. Part A of title XI of the Social Security Act is amended by inserting, immediately after section 1130 thereof, the following new section:

#### “ANNUAL REPORTS BY SECRETARY ON SOCIAL SERVICES

“SEC. 1131. (a) Not later than June 30, 1975, and June 30 of each year thereafter, the Secretary shall submit to Congress a report on social services programs under sections 3, 403, 603, 1003, 1403, and 1603. Such report shall include information on a State-by-State basis as to the amounts of funds expended for each type of service (classified in such categories as the Secretary may determine to be appropriate), and such other data and information as may be appropriate.

“(b) The Secretary shall require the States to make



1 *such reports concerning their use of Federal social services*  
 2 *funds which shall be the basis of the report required by sub-*  
 3 *section (a).”.*

4 *USE OF DONATED FUNDS IN PROVISION OF*  
 5 *SOCIAL SERVICES*

6 *SEC. 135. Part A of title XI of the Social Security Act*  
 7 *is amended by adding after section 1131 (as added by sec-*  
 8 *tion 134 of this Act) the following new section:*

9 *“USE OF DONATED FUNDS IN PROVISION OF*  
 10 *SOCIAL SERVICES*

11 *“SEC. 1132. For purposes of the services to which the*  
 12 *provisions of section 1130 are applicable, donated private*  
 13 *funds (including in-kind contributions, as defined in OMB*  
 14 *Circular A-102, as in effect on October 1, 1973) for services*  
 15 *shall be considered as State funds in claiming Federal re-*  
 16 *imbursement where such funds are transferred to the State*  
 17 *or local agency and under its administrative control and are*  
 18 *donated on an unrestricted basis (except that funds donated*  
 19 *to support a particular kind of activity in a named com-*  
 20 *munity shall be acceptable).”.*

21 *MINIMUM MANDATORY SERVICES FOR INDIVIDUALS RE-*  
 22 *CEIVING SUPPLEMENTARY SECURITY INCOME BENEFITS*

23 *SEC. 136. Part A of title XI of the Social Security Act*  
 24 *is amended by adding after section 1132 (as added by*  
 25 *section 135 of this Act) the following new section:*

1 “MINIMUM MANDATORY SERVICES FOR INDIVIDUALS RE-  
 2 CEIVING SUPPLEMENTARY SECURITY INCOME BENEFITS

3 “SEC. 1133. In addition to other requirements imposed  
 4 by law as a condition for the approval of a State plan under  
 5 title VI of such Act, there is hereby imposed (effective  
 6 January 1, 1974) the requirement that such plan provide  
 7 for the furnishing of at least three types of services (se-  
 8 lected by the State) for individuals who are recipients of  
 9 supplementary security income benefits under title XVI  
 10 and who are in need of such services.”

11 REPORTING REQUIREMENTS FOR STATES WITH RESPECT  
 12 TO SOCIAL SERVICES

13 SEC. 137. Part A of title XI of the Social Security Act  
 14 is amended by adding after section 1133 (as added by sec-  
 15 tion 136 of this Act) the following new section:

16 “REPORTING REQUIREMENTS FOR STATES WITH  
 17 RESPECT TO SOCIAL SERVICES

18 “SEC. 1134. In addition to other requirements imposed  
 19 by law as a condition of approval of a State plan under  
 20 part A of title IV or under title VI, there is hereby imposed  
 21 the requirement that such plan provide that, not later than  
 22 45 days prior to the beginning of each fiscal year (com-  
 23 mencing with the fiscal year which ends June 30, 1975)  
 24 that such State shall compile, and make public, a list (with  
 25 respect to social services to be provided for the coming fiscal

1 year under such plan) which indicates each type of service  
 2 which such State intends to provide (for such fiscal year)  
 3 under such plan, the anticipated expenditures (from both  
 4 State, local, and Federal sources) for such type of service  
 5 for such fiscal year, and the criteria to be imposed under  
 6 such plan to determine eligibility for each such type of serv-  
 7 ice. Nothing in this section shall be construed to limit the  
 8 right of any State to revise its plan (as referred to in the  
 9 preceding sentence) with respect to the provision of social  
 10 services for any fiscal year, or otherwise modify the condi-  
 11 tions and circumstances under which such services will be  
 12 provided thereunder, for or because of the fact that such  
 13 State shall have previously compiled and made public the  
 14 list referred to in the preceding sentence.”

#### 15 *EFFECTIVE DATES*

16 *SEC. 138. The amendments made by sections 131, 133,*  
 17 *and 135 shall take effect on November 1, 1973.*

#### 18 *CHILD-CARE STANDARDS*

19 *SEC. 139. Title IV-A of the Social Security Act is*  
 20 *amended by adding at the end thereof the following new*  
 21 *section:*

#### 22 *“CHILD-CARE STANDARDS*

23 *“SEC. 410. Child day care services provided under the*  
 24 *Social Security Act shall meet the following standards: (1)*  
 25 *in-home care shall meet standards established by the State,*

1 *reasonably in accord with recommended standards of national*  
 2 *standards-setting organizations (such as the Child Welfare*  
 3 *League of America and the National Council of Homemaker-*  
 4 *Home Health Aid Services), and (2) out-of-home day care*  
 5 *facilities shall be licensed by the State or approved as meeting*  
 6 *the standards for such licensing, and shall comply with the*  
 7 *requirements of section 422(a)(1) of the Social Security*  
 8 *Act, and the provisions of the Federal Interagency Day Care*  
 9 *Requirements of 1968: Provided, That subdivision III of*  
 10 *such requirements with respect to educational services shall be*  
 11 *recommended to the States and not required, and that staffing*  
 12 *standards for school-age children and above in day care cen-*  
 13 *ters may be revised by the Secretary: Provided further, That*  
 14 *for children aged 10 to 14 such standards shall in no case*  
 15 *require fewer than 1 adult to 20 children, and for school-aged*  
 16 *children 9 and less years of age shall in no case require fewer*  
 17 *than 1 adult to 15 children."*

#### 18 *PAYMENTS TO STATES FOR EDUCATIONAL PURPOSES*

19 *SEC. 140. (a) Section 3(a)(4)(A)(iv) of the Social*  
 20 *Security Act is amended by inserting "(including both*  
 21 *short- and long-term training at educational institutions*  
 22 *through grants to such institutions or by direct financial as-*  
 23 *sistance to students enrolled in such institutions)" following*  
 24 *"training".*

25 *(b) Section 403(a)(3)(A)(iii) of the Social Security*

1 Act is amended by inserting “(including both short- and  
2 long-term training at educational institutions through grants  
3 to such institutions or by direct financial assistance to stu-  
4 dents enrolled in such institutions)” following “training”.

5 (c) Section 603(a)(1)(A)(iv) of the Social Security  
6 Act is amended by inserting “(including both short- and  
7 long-term training at educational institutions through grants  
8 to such institutions or by direct financial assistance to stu-  
9 dents enrolled in such institutions)” following “training”.

10 (d) Section 1003(a)(3)(A)(iv) of the Social Security  
11 Act is amended by inserting “(including both short- and  
12 long-term training at educational institutions through grants  
13 to such institutions or by direct financial assistance to students  
14 enrolled in such institutions)” following “training”.

15 (e) Section 1403(a)(3)(A)(iv) of the Social Security  
16 Act is amended by inserting “(including both short- and  
17 long-term training at educational institutions through grants  
18 to such institutions or by direct financial assistance to stu-  
19 dents enrolled in such institutions)” following “training”.

20 (f) Section 1603(a)(4)(A)(iv) of the Social Security  
21 Act is amended by inserting “(including both short- and  
22 long-term training at educational institutions through grants  
23 to such institutions or by direct financial assistance to students  
24 enrolled at such institutions)” following “training”.



*HEARINGS FOR RECIPIENTS OR CLAIMANTS*

*SEC. 140A. Section 602(a) of the Social Security Act amended (1) by striking out the period at the end of clause (12) thereof and inserting in lieu of such period “;”, and (2) by inserting after such clause (12) the following new clause:*

“(13) provide that the State agency will provide an opportunity for a fair hearing, before such agency, to any individual requesting a hearing because his claim for services is denied, or is not acted upon with reasonable promptness, or because he is aggrieved by any other agency action by which he is affected and which relates to the receipt, suspension, reduction, or termination of such services.”.

REALLOTMENTS OF CEILINGS ON FEDERAL FUNDS FOR  
SOCIAL SERVICES

*SEC. 140B. Section 1130(b) of the Social Security Act is amended by adding at the end thereof the following new paragraphs:*

“(3)(A) Each State to which an allotment is made under the preceding provisions of this section for any fiscal year (beginning with the fiscal year ending June 30, 1975) shall, at the earliest practicable date after the commence-

1 ment of such fiscal year (and in accordance with regula-  
2 tions prescribed by the Secretary), certify to the Secretary  
3 whether the amount of its allotment is greater or less than  
4 the amount needed by the State, for uses for which the  
5 allotment is made, for such fiscal year and, if so, the amount  
6 by which such allotment is greater or less than such need.

7 “(B) If any State certifies, in accordance with subpara-  
8 graph (A), that its allotment for any fiscal year is greater  
9 than its need for such year, then the allotment of such State  
10 for such year shall be reduced by the excess of its allotment  
11 over its need, and the amount of such reduction shall be  
12 available for reallocation to other States for such fiscal year  
13 which have certified, pursuant to subparagraph (A), that  
14 the amount of their allotments for such year is less than  
15 their need for such year.

16 “(C) Of the amounts made available, pursuant to sub-  
17 paragraph (B), for reallocation for any fiscal year, the  
18 Secretary shall reallocate such amounts among the States which  
19 have certified (pursuant to subparagraph (A)) that the  
20 amount of their allotments is less than the amount of their  
21 need for such fiscal year. The amount reallocated to any such  
22 State for any fiscal year shall bear the same ratio to the

1 total amount available for reallocation for such year as the  
 2 amount of such State's allotment (determined without regard  
 3 to this paragraph) bears to the total amount allotted to all  
 4 such States for such fiscal year (as so determined); except  
 5 that there shall not be reallocated to any such State an amount  
 6 which exceeds the excess of such State's allotment (as so  
 7 determined) and the amount such State has (pursuant to  
 8 subparagraph (A)) certified it would need for such year.

9 “(D) Any amount reallocated to a State under this para-  
 10 graph for any fiscal year shall, for purposes of subsection  
 11 (a) of this section, be added to and deemed a part of such  
 12 State's allotment for such year (as determined without re-  
 13 gard to this paragraph).”

14 *PART E—CHILD WELFARE SERVICES*

15 *NATIONAL ADOPTION INFORMATION EXCHANGE SYSTEM*

16 *SEC. 141. Title IV of the Social Security Act is amended*  
 17 *by inserting immediately after section 426 thereof the follow-*  
 18 *ing new section:*

19 *“NATIONAL ADOPTION INFORMATION EXCHANGE SYSTEM*

20 *“SEC. 427. (a) The Secretary of Health, Education, and*  
 21 *Welfare is hereby authorized to provide information, utilizing*

1 computers and modern data processing methods, through a  
 2 national adoption information exchange system, to assist  
 3 in the placement of children awaiting adoption and in the  
 4 location of children, including cooperative efforts with any  
 5 similar programs operated by or within foreign countries,  
 6 and such other related activities as would further or facilitate  
 7 adoptions.

8 “(b) There are authorized to be appropriated \$1,000,000  
 9 for the fiscal year ending June 30, 1974, and such sums  
 10 as may be necessary for succeeding fiscal years, to carry out  
 11 this section.”

12 CHILD ABUSE, NEGLECT, AND PROTECTIVE SERVICES

13 SEC. 142. (a) Section 402(a)(16) of the Social Se-  
 14 curity Act is amended to read as follows:

15 “(16) provide—

16 “(A) that the State agency will provide such  
 17 services as are necessary to aid the prevention, identi-  
 18 fication, and treatment of child abuse and neglect  
 19 and, wherever feasible, to make it possible for the  
 20 child to remain in the home; and

21 “(B) that where the State agency has reason to  
 22 believe that the home in which a relative and child  
 23 receiving aid reside is unsuitable for the child be-  
 24 cause of the neglect, abuse, or exploitation of such  
 25 child it shall bring such condition to the attention of

1        *the appropriate court or other agency, including law*  
2        *enforcement agencies, in the State providing such*  
3        *data with respect to the situation it may have;”.*

4        *(b) Section 422(a)(1) of such Act is amended—*

5            *(1) by striking out “and” at the end of subpara-*  
6        *graph (B); and*

7            *(2) by adding at the end of subparagraph (C) the*  
8        *following new subparagraph:*

9            *“(D) provides for the establishment and imple-*  
10        *mentation of protective services for children includ-*  
11        *ing, but not limited to—*

12            *“(i) procedures for the discovery and re-*  
13        *porting of instances of neglect or abuse of chil-*  
14        *dren, including a systematic method for receiv-*  
15        *ing reports of suspected or known instances of*  
16        *child abuse or neglect on a twenty-four-hour a*  
17        *day basis,*

18            *“(ii) use of the full resources of local com-*  
19        *munities including public and nonprofit agen-*  
20        *cies and organizations which provide services*  
21        *and activities that would be beneficial to a child*  
22        *and his parents or guardians,*

23            *“(iii) provisions of services, where feasible,*  
24        *to make it possible for the child to remain in the*  
25        *home,*



1           “(iv) cooperation with the appropriate  
2           courts and law enforcement officials in instances  
3           of child neglect and abuse, and

4           “(v) a central collection point for all data  
5           and information on child abuse and neglect,  
6           and”.

7           (c) The amendments made by subsections (a) and (b)  
8           shall be effective July 1, 1975: Provided, however, That the  
9           Secretary may at any time after the date of enactment of this  
10          Act approve changes in State plans under sections 402 and  
11          422 of the Social Security Act which have the effect of  
12          bringing such State plans into conformity with such amend-  
13          ments.

#### 14                   PART F—CHILD SUPPORT PROGRAMS

##### 15          CHILD SUPPORT AND ESTABLISHMENT OF PATERNITY

###### 16                           In General

17          SEC. 151. (a) Title IV of the Social Security Act is  
18          amended by adding after part C the following new part:

#### 19          “PART D—CHILD SUPPORT AND ESTABLISHMENT OF 20                           PATERNITY

##### 21                                   “APPROPRIATION

22          “SEC. 451. For the purpose of enforcing the support  
23          obligations owed by absent parents to their children, locating  
24          absent parents, establishing paternity, and obtaining child  
25          support, there is hereby authorized to be appropriated for

1 each fiscal year a sum sufficient to carry out the purposes  
2 of this part.

3 "DUTIES OF THE SECRETARY

4 "SEC. 452. (a) The Secretary shall establish, within  
5 the Department of Health, Education, and Welfare a sepa-  
6 rate organizational unit, under the direction of the Assistant  
7 Secretary for Child Support, who shall report directly to  
8 the Secretary and who shall—

9 "(1) establish such standards for State programs  
10 for locating absent parents, establishing paternity, and  
11 obtaining child support as he determines to be necessary  
12 to assure that such programs will be effective;

13 "(2) establish minimum organizational and staffing  
14 requirements for State units engaged in carrying out  
15 such programs under plans approved under this part;

16 "(3) review and approve State plans for such pro-  
17 grams;

18 "(4) evaluate the implementation of State programs  
19 established pursuant to such plan, conduct such audits  
20 of State programs established under the plan approved  
21 under this part as may be necessary to assure their con-  
22 formity with the requirements of this part, and, not less  
23 often than annually, conduct a complete audit of the  
24 programs established under such plan in each State and  
25 determine for the purposes of the penalty provision of

1        *section 403(h) whether the actual operation of such pro-*  
2        *grams in each State conforms to the requirements of this*  
3        *part;*

4            *“(5) assist States in establishing adequate reporting*  
5        *procedures and maintain records of the operations of*  
6        *programs established pursuant to this part in each State;*

7            *“(6) maintain records of all amounts collected and*  
8        *disbursed under programs established pursuant to the*  
9        *provisions of this part and of the costs incurred in col-*  
10       *lecting such amounts;*

11           *“(7) provide technical assistance to the States to*  
12        *help them establish effective systems for collecting child*  
13        *support and establishing paternity;*

14           *“(8) receive applications from States for permis-*  
15        *sion to utilize the courts of the United States to enforce*  
16        *court orders for support against absent parents and,*  
17        *upon a finding that (A) another State has not under-*  
18        *taken to enforce the court order of the originating State*  
19        *against the absent parent within a reasonable time, and*  
20        *(B) that utilization of the Federal courts is the only*  
21        *reasonable method of enforcing such order, approve such*  
22        *applications;*

23           *“(9) operate the Parent Locator Service established*  
24        *by section 453;*

25           *“(10) establish or designate regional laboratories as*

1 authorized by section 461 to provide services in analyzing  
2 and classifying blood for the purpose of establishing  
3 paternity; and

4 “(11) not later than June 30 of each year beginning  
5 after December 31, 1974, submit to the Congress a report  
6 on all activities undertaken pursuant to the provisions of  
7 this part.

8 “(b) The Secretary shall, upon the request of any State  
9 having in effect a State plan approved under this part, certify  
10 the amount of any child support obligation assigned to such  
11 State to the Secretary of the Treasury for collection pursuant  
12 to the provisions of section 6305 of the Internal Revenue  
13 Code of 1954. No amount may be certified for collection  
14 under this subsection except upon a showing by the State that  
15 such State has made diligent and reasonable efforts to collect  
16 such amounts utilizing its own collection mechanisms, and  
17 upon an agreement that the State will reimburse the United  
18 States for any costs involved in making the collection. The  
19 Secretary after consultation with the Secretary of the Treas-  
20 ury may, by regulation, establish criteria for accepting  
21 amounts for collection and for making certification under  
22 this subsection including imposing such limitations on the  
23 frequency of making such certifications under this subsection.

24 “(c) (1) There is hereby established in the Treasury a  
25 revolving fund which shall be available to the Secretary with-

1 out fiscal year limitation, to enable him to pay to the States  
2 for distribution in accordance with the provisions of section  
3 457 such amounts as may be collected and paid (subject to  
4 paragraph (2)) into such fund under section 6305 of the In-  
5 ternal Revenue Code of 1954.

6 “(2) There is hereby appropriated to the fund, out of  
7 any moneys in the Treasury not otherwise appropriated,  
8 amounts equal to the amounts collected under section 6305  
9 of the Internal Revenue Code of 1954, reduced by the amounts  
10 credited or refunded as overpayments of the amounts so  
11 collected. The amounts appropriated by the preceding section  
12 shall be transferred at least quarterly from the general fund  
13 of the Treasury to the fund on the basis of estimates made by  
14 the Secretary of the Treasury. Proper adjustments shall be  
15 made in the amounts subsequently transferred to the extent  
16 prior estimates were in excess of or less than the amounts  
17 required to be transferred.

18 “PARENT LOCATOR SERVICE

19 “SEC. 453. (a) The Secretary shall establish and con-  
20 duct a Parent Locator Service under the direction of the  
21 Assistant Secretary for Child Support which shall be used  
22 to obtain and transmit to any authorized person (as defined  
23 in subsection (c)) information as to the whereabouts of any  
24 absent parent when such information is to be used to locate



1 such parent for the purpose of enforcing support obligations  
2 against such parent.

3 “(b) Upon request, filed in accordance with subsection  
4 (d) of any authorized person (as defined in subsection (c))  
5 for the most recent address and place of employment of any  
6 absent parent, the Secretary shall, notwithstanding any other  
7 provision of law, provide through the Parent Locator Service  
8 such information to such person, if such information—

9 “(1) is contained in any files or records maintained  
10 by the Secretary or by the Department of Health, Educa-  
11 tion, and Welfare; or

12 “(2) is not contained in such files or records, but  
13 can be obtained by the Secretary, under the authority  
14 conferred by subsection (e), from any other department,  
15 agency, or instrumentality, or the United States or of  
16 any State.

17 No information shall be disclosed to any person if the dis-  
18 closure of such information would contravene the national  
19 policy or security interests of the United States or the con-  
20 fidentiality of census data. The Secretary shall give priority  
21 to requests made by any authorized person described in sub-  
22 section (c) (1).

23 “(c) As used in subsection (a), the term ‘authorized  
24 person’ means—

25 “(1) any agent or attorney of any State having in

1       effect a plan approved under this part, who has the duty  
2       or authority to seek to recover any amounts owed as child  
3       support (including, when authorized under the State  
4       plan, any official of a political subdivision);

5           “(2) the court which has authority to issue an order  
6       against an absent parent for the support and main-  
7       tenance of a child, or any agent of such court; and

8           “(3) the resident parent, legal guardian, attorney,  
9       or agent of a child (other than a child receiving aid under  
10      part A of this title) (as determined by regulations pre-  
11      scribed by the Secretary) without regard to the existence  
12      of a court order against an absent parent who has a  
13      duty to support and maintain any such child.

14          “(d) A request for information under this section shall  
15      be filed in such manner and form as the Secretary shall by  
16      regulation prescribe and shall be accompanied or supported by  
17      such documents as the Secretary may determine to be neces-  
18      sary.

19          “(e)(1) Whenever the Secretary receives a request  
20      submitted under subsection (b) which he is reasonably sat-  
21      isfied meets the criteria established by subsections (a), (b),  
22      and (c), he shall promptly undertake to provide the informa-  
23      tion requested from the files and records maintained by any  
24      of the departments, agencies, or instrumentalities of the United  
25      States or of any State.

1       “(2) Notwithstanding any other provision of law, when-  
2 ever the individual who is the head of any department,  
3 agency, or instrumentality of the United States receives a  
4 request from the Secretary for information authorized to  
5 be provided by the Secretary under this section, such individ-  
6 ual shall promptly cause a search to be made of the files and  
7 records maintained by such department, agency, or instru-  
8 mentality with a view to determining whether the informa-  
9 tion requested is contained in any such files or records. If  
10 such search discloses the information requested, such individ-  
11 ual shall immediately transmit such information to the Secre-  
12 tary, except that if any information is obtained the disclosure  
13 of which would contravene national policy or security in-  
14 terests of the United States or the confidentiality of census  
15 data, such information shall not be transmitted and such in-  
16 dividual shall immediately notify the Secretary. If such search  
17 fails to disclose the information requested, such individual  
18 shall immediately so notify the Secretary. The costs incurred  
19 by any such department, agency, or instrumentality of the  
20 United States or of any State in providing such information  
21 to the Secretary shall be reimbursed by him. Whenever such  
22 services are furnished to an individual specified in subsection  
23 (c)(3), a fee shall be charged such individual. The fee so  
24 charged shall be used to reimburse the Secretary or his dele-  
25 gate for the expense of providing such services.

1       “(f) *The Secretary, in carrying out his duties and*  
 2 *functions under this section, shall enter into arrangements*  
 3 *with State agencies administering State plans approved*  
 4 *under this part for such State agencies to accept from resi-*  
 5 *dent parents, legal guardians, or agents of a child described*  
 6 *in subsection (c)(3) and, after determining that the absent*  
 7 *parent cannot be located through the procedures under the*  
 8 *control of such State agencies, to transmit to the Secretary*  
 9 *requests for information with regard to the whereabouts of*  
 10 *absent parents and otherwise to cooperate with the Secretary*  
 11 *in carrying out the purposes of this section.*

12                   “*STATE PLAN FOR CHILD SUPPORT*

13       “*SEC. 454. A State plan for child support must—*

14               “(1) *provide that it shall be in effect in all political*  
 15 *subdivisions of the State;*

16               “(2) *provide for financial participation by the*  
 17 *State;*

18               “(3) *provide for the establishment or designation of*  
 19 *a single and separate organizational unit, which meets*  
 20 *such staffing and organizational requirements as the Sec-*  
 21 *retary may by regulation prescribe, within the State to*  
 22 *administer the plan;*

23               “(4) *provide that such State will undertake—*

24               “(A) *in the case of a child born out of wed-*  
 25 *lock with respect to whom an assignment under sec-*



tion 402(a)(26) of this title is effective, to establish the paternity of such child, and

“(B) in the case of any child with respect to whom such assignment is effective, to secure support for such child from his parent (or from any other person legally liable for such support), utilizing any reciprocal arrangements adopted with other States, except that when such arrangements and other means have proven ineffective, the State may utilize the Federal courts to obtain or enforce court orders for support;

“(5) provide that, in any case in which child support payments are collected for a child with respect to whom an assignment under section 402(a)(26) is effective, such payments shall be made to the State for distribution pursuant to section 457 and shall not be paid directly to the family except that this paragraph shall not apply to such payments (except as provided in section 457(c)) for any month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;

“(6) provide that (A) the child support collection or paternity determination services established under the plan shall be made available to any individual not otherwise eligible for such services upon application filed by



1        *such individual with the State, (B) an application fee*  
2        *for furnishing such services may be imposed, except that*  
3        *the amount of any such application fee shall be reason-*  
4        *able, as determined under regulations of the Secretary,*  
5        *and (C) any costs in excess of the fee so imposed may*  
6        *be collected from such individual by deducting such costs*  
7        *from the amount of any recovery made;*

8            *“(7) provide for entering into cooperative arrange-*  
9        *ments with appropriate courts and law enforcement of-*  
10       *ficials (A) to assist the agency administering the plan,*  
11       *including the entering into of financial arrangements with*  
12       *such courts and officials in order to assure optimum re-*  
13       *sults under such program, and (B) with respect to any*  
14       *other matters of common concern to such courts or of-*  
15       *ficials and the agency administering the plan;*

16           *“(8) provide that the agency administering the plan*  
17       *will establish a service to locate absent parents utilizing—*

18                *“(A) all sources of information and available*  
19       *records, and*

20                *“(B) the Parent Locator Service in the De-*  
21       *partment of Health, Education, and Welfare;*

22           *“(9) provide that the State will, in accordance with*  
23       *standards prescribed by the Secretary, cooperate with*  
24       *any other State—*

25                *“(A) in establishing paternity, if necessary,*

1           “(B) in locating an absent parent residing in  
2       the State (whether or not permanently) against  
3       whom any action is being taken under a program  
4       established under a plan approved under this part  
5       in another State,

6           “(C) in securing compliance by an absent par-  
7       ent residing in such State (whether or not perma-  
8       nently) with an order issued by a court of competent  
9       jurisdiction against such parent for the support and  
10      maintenance of a child or children of such parent  
11      with respect to whom aid is being provided under  
12      the plan of such other State, and

13          “(D) in carrying out other functions required  
14      under a plan approved under this part;

15          “(10) provide that the State will maintain a full  
16      record of collections and disbursements made under the  
17      plan and have an adequate reporting system;

18          “(11) provide that amounts collected as child sup-  
19      port shall be distributed as provided in section 457;

20          “(12) provide that any payment required to be  
21      made under section 456 or 457 to a family shall be made  
22      to the resident parent, legal guardian, or caretaker rela-  
23      tive having custody of or responsibility for the child or  
24      children; and

25          “(13) provide that the State will comply with such

1        *other requirements and standards as the Secretary deter-*  
2        *mines to be necessary to the establishment of an effective*  
3        *program for locating absent parents, establishing pater-*  
4        *nity, obtaining support orders, and collecting support*  
5        *payments.*

6                                *“PAYMENTS TO STATES*

7        *“SEC. 455. From the sums appropriated therefor, the*  
8        *Secretary shall pay to each State for each quarter, begin-*  
9        *ning with the quarter commencing July 1, 1974, an amount*  
10       *equal to 75 percent of the total amounts expended by such*  
11       *State during such quarter for the operation of the plan*  
12       *approved under section 454 except that no amount shall be*  
13       *paid to any State on account of furnishing collection serv-*  
14       *ices (other than parent locator services) to individuals under*  
15       *section 454(6) during any period beginning after June 30,*  
16       *1975.*

17                                *“SUPPORT OBLIGATIONS*

18        *“SEC. 456. (a) The support rights assigned to the State*  
19        *under section 402(a)(26) shall constitute an obligation owed*  
20        *to such State by the individual responsible for providing such*  
21        *support. Such obligation shall be deemed for collection pur-*  
22        *poses to be collectible under all applicable State and local*  
23        *processes.*

24        *“(1) The amount of such obligation shall be—*

1       “(A) the amount specified in a court order which  
2 covers the assigned support rights, or

3       “(B) if there is no court order, an amount deter-  
4 mined by the State in accordance with a formula ap-  
5 proved by the Secretary, and

6       “(2) Any amounts collected from an absent parent under  
7 the plan shall reduce, dollar for dollar, the amount of his obli-  
8 gation under paragraphs (1) (A) and (B).

9       “(b) A debt which is a child support obligation assigned  
10 to a State under section 402(a)(26) is not released by a  
11 discharge in bankruptcy under the Bankruptcy Act.

12               “DISTRIBUTION OF PROCEEDS

13       “SEC. 457. (a) The amounts collected as child support  
14 by a State pursuant to a plan approved under this part dur-  
15 ing the fiscal year beginning July 1, 1974, shall be distributed  
16 as follows:

17       “(1) 40 per centum of the first \$50 of such amounts  
18 as are collected periodically which represent monthly  
19 support payments shall be paid to the family without any  
20 decrease in the amount paid as assistance to such family  
21 during such month;

22       “(2) such amounts as are collected periodically  
23 which are in excess of any amount paid to the family  
24 under paragraph (1) which represent monthly support  
25 payments shall be retained by the State to reimburse it

1     *for assistance payments to the family during such pe-*  
2     *riod (with appropriate reimbursement of the Federal*  
3     *Government to the extent of its participation in the*  
4     *financing);*

5             *“(3) such amounts as are in excess of amounts re-*  
6     *tained by the State under paragraph (2) and are not in*  
7     *excess of the amount required to be paid during such*  
8     *period to the family by a court order shall be paid to the*  
9     *family; and*

10            *“(4) such amounts as are in excess of amounts re-*  
11     *quired to be distributed under paragraphs (1), (2),*  
12     *and (3) shall be (A) retained by the State (with appro-*  
13     *priate reimbursement of the Federal Government to the*  
14     *extent of its participation in the financing) as reimburse-*  
15     *ment for any past assistance payments made to the*  
16     *family for which the State has not been reimbursed or*  
17     *(B) if no assistance payments have been made by the*  
18     *State which have not been repaid, such amounts shall be*  
19     *paid to the family.*

20            *“(b) The amounts collected as child support by a State*  
21     *pursuant to a plan approved under this part during any fiscal*  
22     *year beginning after June 30, 1975, shall be distributed as*  
23     *follows:*

24            *“(1) such amounts as are collected periodically*  
25     *which represent monthly support payments shall be*



1     *retained by the State to reimburse it for assistance pay-*  
2     *ments to the family during such period (with appropriate*  
3     *reimbursement of the Federal Government to the extent*  
4     *of its participation in the financing);*

5             *“(2) such amounts as are in excess of amounts re-*  
6     *tained by the State under paragraph (1) and are not in*  
7     *excess of the amount required to be paid during such*  
8     *period to the family by a court order shall be paid to the*  
9     *family; and*

10            *“(3) such amounts as are in excess of amounts re-*  
11    *quired to be distributed under paragraphs (1) and (2)*  
12    *shall be (A) retained by the State (with appropriate*  
13    *reimbursement of the Federal Government to the extent*  
14    *of its participation in the financing) as reimbursement*  
15    *for any past assistance payments made to the family for*  
16    *which the State has not been reimbursed or (B) if no*  
17    *assistance payments have been made by the State which*  
18    *have not been repaid, such amounts shall be paid to the*  
19    *family.*

20            *“(c) Whenever a family for whom child support pay-*  
21    *ments have been collected and distributed under the plan*  
22    *ceases to receive assistance under part A of this title, the*  
23    *State may—*

24            *“(1) continue to collect such support payments from*  
25    *the absent parent for a period of not to exceed three*

1        *months from the month following the month in which such*  
 2        *family ceased to receive assistance under part A of this*  
 3        *title, and pay all amounts so collected to the family; and*  
 4        *“(2) at the end of such three-month period, if the*  
 5        *State is authorized to do so by the individual on whose*  
 6        *behalf the collection will be made, continue to collect such*  
 7        *support payments from the absent parent and pay the net*  
 8        *amount of any amount so collected to the family after*  
 9        *deducting any costs incurred in making the collection*  
 10       *from the amount of any recovery made.*

11                    *“INCENTIVE PAYMENT TO LOCALITIES*

12        *“SEC. 458. (a) When a political subdivision of a State*  
 13        *makes, for the State of which it is a political subdivision, or*  
 14        *one State makes, for another State, the enforcement and col-*  
 15        *lection of the support rights assigned under section 402(a)*  
 16        *(26) (either within or outside of such State), there shall be*  
 17        *paid to such political subdivision or such other State from*  
 18        *amounts which would otherwise represent the Federal share*  
 19        *of assistance to the family of the absent parent—*

20                *“(1) an amount equal to 25 per centum of any*  
 21        *amount collected (and required to be distributed as pro-*  
 22        *vided in section 457 to reduce or repay assistance pay-*  
 23        *ments) which is attributable to the support obligation*  
 24        *owed for 12 months; and*

25                *“(2) an amount equal to 10 per centum of any*

1        amount collected (and required to be distributed as pro-  
2        vided in section 457 to reduce or repay assistance pay-  
3        ments) which is attributable to the support obligation  
4        owed for any month after the first twelve months for  
5        which such collections are made.

6        “(b) Where more than one jurisdiction is involved in  
7        such enforcement or collection, the amount of the incentive  
8        payment determined under paragraphs (1) and (2) of sub-  
9        section (a) shall be allocated among the jurisdictions in a  
10       manner to be prescribed by the Secretary.

11       “CONSENT BY THE UNITED STATES TO GARNISHMENT AND  
12       SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD  
13       SUPPORT AND ALIMONY OBLIGATIONS

14       “SEC. 459. Notwithstanding any other provision of law,  
15       effective January 1, 1974, moneys (the entitlement to which  
16       is based upon remuneration for employment) due from, or  
17       payable by, the United States (including any agency or in-  
18       strumentality thereof and any wholly owned Federal corpo-  
19       ration) to any individual, including members of the armed  
20       services, shall be subject, in like manner and to the same  
21       extent as if the United States were a private person, to legal  
22       process brought for the enforcement, against such individual,  
23       of his legal obligations to provide child support or make  
24       alimony payments.

## 2

3

## 10

12

21



1 gion) that such laboratory has been so established or desig-  
 2 nated to provide services, in analyzing and classifying blood  
 3 for the purpose of determining paternity, for courts and  
 4 public agencies in such region.

5 “(c) The facilities of any such laboratory shall be made  
 6 available without cost to courts and public agencies in the  
 7 region to be served by it.

8 “(d) There is hereby authorized to be appropriated for  
 9 each fiscal year such sums as may be necessary to carry out  
 10 the provisions of this section.”.

#### 11 *Collection of Child Support Obligations*

12 (b) (1) Subchapter A of chapter 64 of the Internal Rev-  
 13 enue Code of 1954 (relating to collection of taxes) is  
 14 amended by adding at the end thereof the following new  
 15 section:

#### 16 **“SEC. 6305. COLLECTION OF CERTAIN LIABILITY.**

17 “(a) *IN GENERAL.*—Upon receiving a certification from  
 18 the Secretary of Health, Education, and Welfare, under sec-  
 19 tion 452(b) of the Social Security Act with respect to any  
 20 individual, the Secretary or his delegate shall assess and col-  
 21 lect the amount certified by the Secretary of Health, Educa-  
 22 tion, and Welfare, in the same manner, with the same powers,  
 23 and (except as provided in this section) subject to the same  
 24 limitations as if such amount were a tax imposed by sub-



1 title *C* the collection of which would be jeopardized by delay,  
2 except that—

3 “(1) no interest or penalties shall be assessed or  
4 collected,

5 “(2) for such purposes, paragraphs (4), (6), and  
6 (8) of section 6334(a) (relating to property exempt  
7 from levy) shall not apply, and

8 “(3) there shall be exempt from levy so much of the  
9 salary, wages, or other income of an individual as is  
10 being withheld therefrom in garnishment pursuant to a  
11 judgment entered by a court of competent jurisdiction for  
12 the support of his minor children.

13 “(b) *REVIEW OF ASSESSMENTS AND COLLECTIONS.*—  
14 No court of the United States, whether established under  
15 article I or article III of the Constitution, shall have juris-  
16 diction of any action, whether legal or equitable, brought to  
17 restrain or review the assessment and collection of amounts  
18 by the Secretary or his delegate under subsection (a), nor  
19 shall any such assessment and collection be subject to review  
20 by the Secretary or his delegate in any proceeding. This sub-  
21 section does not preclude any legal, equitable, or administra-  
22 tive action by an individual in any State court or before any  
23 State agency to determine his liability for any amount as-  
24 sessed against him and collected, or to recover any such  
25 amount collected from him, under this section.”.

1       (2) *The table of sections for such subchapter is amended*  
 2 *by adding at the end thereof the following new item:*

*“Sec. 6305. Collection of certain liability.”.*

3               *Amendments to Part A of Title IV*

4       (c)(1) *Notwithstanding the provisions of section 402*  
 5 *(a) of the Social Security Act, in addition to the amounts*  
 6 *required to be disregarded under clause (8)(A) of such*  
 7 *section, there is imposed the requirement (and the State plan*  
 8 *shall be deemed to include the requirement) that for the*  
 9 *fiscal year beginning July 1, 1974, in making the determina-*  
 10 *tion under clause (7), the State agency shall with respect*  
 11 *to any month in such year and in addition to the amounts*  
 12 *required to be disregarded under clause (8)(A), disregard*  
 13 *amounts payable under section 457(a)(1).*

14       (2) *Section 402(a)(9) is amended to read as follows:*

15               *“(9) provide safeguards which permit the use or*  
 16 *disclosure of information concerning applicants or re-*  
 17 *cipients only to (A) public officials who require such*  
 18 *information in connection with their official duties, or*  
 19 *(B) other persons for purposes directly connected with*  
 20 *the administration of aid to families with dependent*  
 21 *children;”.*

22       (3) *Section 402(a)(10) is amended by inserting im-*  
 23 *mediately before “be furnished” the following: “, subject to*  
 24 *paragraphs (25) and (26),”.*

1       (4) Section 402(a)(11) is amended to read as follows:

2           “(11) provide for prompt notice (including the  
3       transmittal of all relevant information) to the State child  
4       support collection agency (established pursuant to part  
5       D of this title) of the furnishing of aid to families with  
6       dependent children with respect to a child who has been  
7       deserted or abandoned by a parent (including a child  
8       born out of wedlock without regard to whether the  
9       paternity of such child has been established);”.

10       (5) Section 402(a) is further amended—

11           (A) by striking out “and” at the end of paragraph  
12       (23);

13           (B) by inserting immediately before the first word  
14       in paragraph (24) the following: “provide that”; and

15           (C) by striking out the period at the end of para-  
16       graph (24) and inserting in lieu thereof a semicolon and  
17       the following:

18           “(25) provide (A) that, as a condition of eligibility  
19       under the plan, each applicant for or recipient of aid  
20       shall furnish to the State agency his social security ac-  
21       count number (or numbers, if he has more than one such  
22       number), and (B) that such State agency shall utilize  
23       such account numbers, in addition to any other means of  
24       identification it may determine to employ in the admin-  
25       istration of such plan;

1       “(26) provide that, as a condition of eligibility for  
2       aid, each applicant or recipient will be required—

3               “(A) to assign the State any rights to support  
4       from any other person such applicant may have (i)  
5       in his own behalf or in behalf of any other family  
6       member for whom the applicant is applying for or  
7       receiving aid, and (ii) which have accrued at the  
8       time such assignment is executed,

9               “(B) to cooperate with the State (i) in estab-  
10       lishing the paternity of a child born out of wed-  
11       lock with respect to whom aid is claimed, and (ii) in  
12       obtaining support payments for such applicant and  
13       for a child with respect to whom such aid is claimed,  
14       or in obtaining any other payments or property due  
15       such applicant or such child and that, if the relative  
16       with whom a child is living is found to be ineligible  
17       because of failure to comply with the requirements of  
18       this paragraph, any aid for which such child is eli-  
19       gible will be provided in the form of protective pay-  
20       ments as described in section 406(b)(2) (without  
21       regard to subparagraphs (A) through (E) of such  
22       section); and

23       “(27) provide, that the States have in effect a plan ap-  
24       proved under part D and operate a child support program  
25       in conformity with such plan.”.

1       (6)(A) Section 403 of the Social Security Act is  
2 amended by adding at the end thereof the following new  
3 subsection:

4       “(h) Notwithstanding any other provision of this Act,  
5 the amount payable to any State under this part for quarters  
6 in a fiscal year shall with respect to quarters beginning after  
7 December 31, 1975, be reduced by 5 per centum of such  
8 amount if such State is found by the Secretary as the result  
9 of the annual audit to have failed to have an effective pro-  
10 gram meeting the requirements of section 402(a)(27) in  
11 any fiscal year beginning after June 30, 1975 (but, in the  
12 case of the fiscal year beginning July 1, 1975, only con-  
13 sidering the third and fourth quarters thereof).”.

14       (B) Section 404 of such Act is amended by adding at  
15 the end thereof the following new subsections:

16       “(c) No State shall be found, prior to January 1,  
17 1976, to have failed substantially to comply with the require-  
18 ments of section 402(a)(27) if, in the judgment of the  
19 Secretary, such State is making a good faith effort to im-  
20 plement the program required by such section.

21       “(d) After December 31, 1975, in the case of any  
22 State which is found to have failed substantially to comply  
23 with the requirements of section 402(a)(27), the reduction  
24 in any amount payable to such State required to be imposed  
25 under section 403(h) shall be imposed in lieu of any reduc-



tion, with respect to such failure, which would otherwise be required to be imposed under this section.”

(7) Section 406 of the Social Security Act is amended by adding at the end thereof the following new subsection:

“(f) Notwithstanding the provisions of subsection (b), the term ‘aid to families with dependent children’ does not mean payments with respect to a parent (or other individual whose needs such State determines should be considered in determining the need of the child or relative claiming aid under the plan of such State approved under this part) of a child who fails to cooperate with any agency or official of the State in obtaining such support payments for such child. Nothing in this subsection shall be construed to make an otherwise eligible child ineligible for protective payments because of the failure of such parent (or such other individual) to so cooperate.”.

(8) Section 402(a) (17), (18), (21), and (22), and section 410 of such Act are repealed.

#### Conforming Amendments to Title XI

(d) Section 1106 of such Act is amended—

(1) by striking out the period at the end of the first sentence of subsection (a) and inserting in lieu thereof the following: “and except as provided in part D of title IV of this Act.”;

(2) by adding at the end of subsection (b) the

1 following new sentence: "Notwithstanding the preceding  
 2 provisions of this subsection, requests for information  
 3 made pursuant to the provisions of part D of title IV  
 4 of this Act for the purpose of using Federal records  
 5 for locating parents shall be complied with and the cost  
 6 incurred in providing such information shall be paid  
 7 for as provided in such part D of title IV."; and

8 (3) by striking out subsection (c).

9 *Appointment of Assistant Secretary for Child Support*

10 (e)(1) There shall be in the Department of Health, Ed-  
 11 ucation, and Welfare an Assistant Secretary of Health, Edu-  
 12 cation, and Welfare for Child Support who shall be ap-  
 13 pointed by the President, by and with the advice and consent  
 14 of the Senate.

15 (2) Section 5315 of title 5, United States Code, is  
 16 amended by adding at the end thereof the following new item:

17 "(98) Assistant Secretary for Child Support, De-  
 18 partment of Health, Education, and Welfare."

19 *Authorization of Appropriations*

20 (f) There are authorized to be appropriated to the Sec-  
 21 retary of Health, Education, and Welfare such sums as may  
 22 be necessary to plan and prepare for the implementation of  
 23 the program established by this section.

24 *Effective Date*

25 (g) The amendments made by this section shall become  
 26 effective on July 1, 1974, except that section 459 of the Social

1 *Security Act, as added by subsection (a) of this section shall*  
 2 *become effective on January 1, 1974, and subsections (e) and*  
 3 *(f) of this section shall become effective upon the date of*  
 4 *enactment of this Act.*

5 *PART G—AID TO FAMILIES WITH DEPENDENT*  
 6 *CHILDREN*

7 *PASS-ALONG OF SOCIAL SECURITY BENEFIT INCREASE TO*  
 8 *RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT*  
 9 *CHILDREN*

10 *SEC. 161. (a) Section 402(a)(8)(B) of the Social*  
 11 *Security Act is amended by inserting “, and shall, before*  
 12 *disregarding the amounts referred to in subparagraph (A)*  
 13 *and clauses (i) and (ii) of this subparagraph, disregard*  
 14 *an amount equal to 5 per centum of any income received*  
 15 *in the form of monthly insurance benefits paid under title*  
 16 *II” immediately after “\$5 per month of any income”.*

17 *(b) Any State plan approved under part A of title*  
 18 *IV of the Social Security Act shall be deemed to contain*  
 19 *a provision (relating to the disregarding of income) which*  
 20 *complies with the requirement imposed with respect to any*  
 21 *such plan under the amendment made by subsection (a)*

22 *(c) The amendments made by this section shall be ef-*  
 23 *fective in the case of monthly insurance benefits under title*  
 24 *II of the Social Security Act for months on and after the*  
 25 *first month for which the regular payment of such benefits*

1 includes the increase in social security benefits made by  
 2 reason of the enactment of Public Law 93-66 and the amend-  
 3 ments made thereto by section 101 of this Act.

4 *DISREGARD OF INCOME UNDER AFDC*

5 *SEC. 162. (a) Section 402(a)(8)(A)(ii) of the Social*  
 6 *Security Act is amended by striking out everything that*  
 7 *follows "determination," and inserting in lieu thereof the*  
 8 *following: "(I) the first \$60 of earned income for indi-*  
 9 *viduals who are employed at least 40 hours per week, or at*  
 10 *least 35 hours per week and are earning at least \$64 per*  
 11 *week, and (II) the first \$30 of earned income for other*  
 12 *individuals, plus in each case, one-third of up to \$300 of*  
 13 *additional earnings, and one-fifth of such additional earnings*  
 14 *in excess of \$300, except that in each case an amount equal*  
 15 *to the reasonable child care expenses incurred (subject to*  
 16 *such limitations as the Secretary may prescribe in regula-*  
 17 *tions) shall first be deducted before computing such individ-*  
 18 *ual's earned income (except that the provisions of this clause*  
 19 *(ii) shall not apply to earned income derived from par-*  
 20 *ticipation on a project maintained under the programs estab-*  
 21 *lished by section 432(b) (2) and (3); and".*

22 *(b) Section 402(a)(7) of such Act, as amended by*  
 23 *section 111(e) of this Act, is further amended by striking*  
 24 *out everything that follows "as well as any" and inserting*

1 *in lieu thereof the following: "child care expenses reasonably*  
 2 *attributable to the earning of any such income;".*

3 *COMMUNITY WORK AND TRAINING PROGRAMS*

4 *SEC. 163. (a) Section 204(c)(2) of the Social Security*  
 5 *Amendments of 1967 is repealed, effective January 1, 1974.*

6 *(b) Section 409 of the Social Security Act is amended*  
 7 *by adding at the end thereof the following new subsections:*

8 *"(c) The term 'individuals who have attained the age*  
 9 *of 18' as used in subsection (a) above shall not include any*  
 10 *individual who is not—*

11 *"(1) a father who is not incapacitated; or*

12 *"(2) a mother with no children under six, and who*  
 13 *is not—*

14 *"(A) ill, incapacitated or of advanced age;*

15 *"(B) too remote from an employment program*  
 16 *to be able to participate in such program;*

17 *"(C) needed at home to care for an incapacitated family member; or*

18 *"(D) attending school on a full-time basis; or*

19 *"(E) participating in a Work Incentive Pro-*  
 20 *gram.*

21 *"(d) If the relative with whom a child is living is*  
 22 *denied aid because of failure to comply with the requirements*  
 23 *of subsection (a) above, any aid for which such child is*  
 24 *of subsection (a) above, any aid for which such child is*



1 eligible will be provided in the form of protective payments  
2 as described in section 406(b)(2) (without regard to sub-  
3 sections (A) through (E) of such section).’’.

4 STATE DEMONSTRATION PROJECTS

5 SEC. 164. Section 1115 of the Social Security Act is  
6 amended—

7 (1) by inserting “(a)” after “SEC. 1115.”;

8 (2) by redesignating subsections (a) and (b) as  
9 paragraphs (1) and (2), respectively; and

10 (3) by adding at the end thereof the following new  
11 subsection:

12 “(b)(1) In order to permit the States to achieve more  
13 efficient and effective use of funds for public assistance, to  
14 reduce dependency, and to improve the living conditions and  
15 increase the incomes of individuals who are recipients of  
16 public assistance, any State having an approved plan under  
17 part A of title IV may, subject to the provisions of this sub-  
18 section, establish and conduct not more than three demonstra-  
19 tion projects. In establishing and conducting any such project  
20 the State shall—

21 “(A) provide that not more than one such project  
22 be conducted on a statewide basis;

23 “(B) provide that in making arrangements for  
24 public service employment—

25 “(i) appropriate standards for the health,

safety, and other conditions applicable to the performance of work and training on such project are established and will be maintained,

“(ii) such project will not result in the displacement of employed workers,

“(iii) with respect to such project the conditions of work, training, education, and employment are reasonable in the light of such factors as the type of work, geographical region, and proficiency of the participant, and

“(iv) appropriate workmen’s compensation protection is provided to all participants;

“(C) provide that participation in any such project by any individual receiving aid to families with dependent children be voluntary.

“(2) Any State which establishes and conducts demonstration projects under this subsection, may, with respect to any such project—

“(A) waive, subject to paragraph (3), any or all of the requirements of sections 402(a)(1) (relating to Statewide operation), 402(a)(3) (relating to administration by a single State agency), 402(a)(8) (relating to disregard of earned income), except that no such waiver of 402(a)(8) shall operate to waive any amount in excess of one-half of the earned income of any individ-

1        ual, and 402(a)(19) (relating to the work incentive  
2        program);

3            “(B) subject to paragraph (4) use to cover the  
4        costs of such projects such funds as are appropriated  
5        for payment to any such State with respect to the assist-  
6        ance which is or would, except for participation in a  
7        project under this subsection, be payable to individuals  
8        participating in such projects under part A of title IV for  
9        any fiscal year in which such demonstration projects are  
10       conducted; and

11           “(C) use such funds as are appropriated for pay-  
12        ments to States under the State and Local Fiscal As-  
13        sistance Act of 1972 (86 Stat. 919) for any fiscal year  
14        in which such demonstration projects are conducted to  
15        cover so much of the costs of salaries for individuals par-  
16        ticipating in public service employment as is not covered  
17        through the use of funds made available under subpara-  
18        graph (B).

19           “(3) Notwithstanding the provisions of paragraph  
20        (2)(A), the Secretary may review any waiver made by a  
21        State under such paragraph. Upon a finding that any such  
22        waiver is inconsistent with the purposes of this subsection and  
23        the purposes of part A of title IV, the Secretary may disap-  
24        prove such waiver. The demonstration project under which  
25        any such disapproved waiver was made by such State shall

1 *be terminated not later than the last day of the month following*  
 2 *the month in which such waiver was disapproved.*

3 “(4) Any amount payable to a State under section  
 4 403(a) on behalf of an individual participating in a project  
 5 under this section shall not be increased by reason of the par-  
 6 ticipation of such individual in any demonstration project con-  
 7 ducted under this subsection over the amount which would  
 8 be payable if such individual were receiving aid to families  
 9 with dependent children and not participating in such project.

10 “(5) Participation in a project established under this  
 11 section shall not be considered to constitute employment for  
 12 purposes of any finding with respect to ‘unemployment’ as  
 13 that term is used in section 407.

14 “(6) Any demonstration project established and con-  
 15 ducted pursuant to the provisions of this subsection shall be  
 16 conducted for not longer than two years. All demonstration  
 17 projects established and conducted pursuant to the provisions  
 18 of this subsection shall be terminated not later than June 30,  
 19 1976.”.

20 *STUDY AND RECOMMENDATIONS WITH RESPECT TO THE*  
 21 *ESTABLISHING OF NATIONWIDE RATES OF INELIGIBIL-*  
 22 *ITY AND OVERPAYMENT IN THE AID TO FAMILIES*  
 23 *WITH DEPENDENT CHILDREN PROGRAM*

24 *SEC. 165. The Secretary of Health, Education, and*  
 25 *Welfare shall conduct a study of and submit to the Congress*

1 *not later than one year after the date of enactment of this*  
 2 *section a report containing his findings and recommendations*  
 3 *with respect to the appropriateness of establishing nationwide*  
 4 *rates of ineligibility and overpayment in the Aid to Families*  
 5 *With Dependent Children Program under part A of title*  
 6 *IV of the Social Security Act which may be reasonably*  
 7 *expected to occur in the administration of such program when*  
 8 *the eligibility determination processes and procedures are*  
 9 *implemented in a prudent manner exercising reasonable dili-*  
 10 *gence to avoid erroneous payment.*

11 *PART H—AMENDMENTS TO MEDICAID AND MEDICARE*  
 12 *PROGRAMS*

13 *MEDICAL ELIGIBILITY FOR SUPPLEMENTAL SECURITY*  
 14 *INCOME RECIPIENTS*

15 *Beneficiaries*

16 *SEC. 171. (a) (1) Section 1901 of the Social Security*  
 17 *Act (as amended by Public Law 92-603) is amended by*  
 18 *striking out “permanently and totally disabled” and insert-*  
 19 *ing “disabled” in lieu thereof.*

20 *(2) Section 1902(a) (5) of such Act is amended by—*

21 *(A) striking out the comma after “administer the*  
 22 *plan” and inserting a semicolon in lieu thereof; and*

23 *(B) striking out “XVI (insofar as it relates to the*  
 24 *aged)” and inserting “XVI (insofar as it relates to the*  
 25 *aged) if the State is eligible to participate in the State*



1 *plan program established under title XVI, or by the*  
2 *agency or agencies administering the supplemental secu-*  
3 *rity income program established under title XVI or the*  
4 *State plan approved under part A of title IV if the State*  
5 *is not eligible to participate in the State plan program*  
6 *established under title XVI” in lieu thereof.*

7 *(3) Section 1902(a)(10) of such Act is amended to read*  
8 *as follows:*

9 *“(10) provide—*

10 *“(A) for making medical assistance available*  
11 *to all individuals receiving aid or assistance under*  
12 *any plan of the State approved under title I, X,*  
13 *XIV, or XVI, or part A of title IV, or with respect*  
14 *to whom supplemental security income benefits are*  
15 *being paid under title XVI;*

16 *“(B) that the medical assistance made avail-*  
17 *able to any individual described in clause (A)—*

18 *“(i) shall not be less in amount, duration,*  
19 *or scope than the medical assistance made avail-*  
20 *able to any other such individual, and*

21 *“(ii) shall not be less in amount, duration,*  
22 *or scope than the medical assistance made avail-*  
23 *able to individuals not described in clause (A);*  
24 *and*

25 *“(C) if medical assistance is included for any*

1           *group of individuals who are not described in clause*  
 2           *(A) and who do not meet the income and resources*  
 3           *requirements of the appropriate State plan, or the*  
 4           *supplemental security income program under title*  
 5           *XVI, as the case may be, as determined in accord-*  
 6           *ance with standards prescribed by the Secretary—*

7           “(i) *for making medical assistance avail-*  
 8           *able to all individuals who would, except for*  
 9           *income and resources, be eligible for aid or*  
 10           *assistance under any such State plan or to have*  
 11           *paid with respect to them supplemental security*  
 12           *income benefits under title XVI, and who have*  
 13           *insufficient (as determined in accordance with*  
 14           *comparable standards) income and resources*  
 15           *to meet the costs of necessary medical and*  
 16           *remedial care and services, and*

17           “(ii) *that the medical assistance made*  
 18           *available to all individuals not described in*  
 19           *clause (A) shall be equal in amount, duration,*  
 20           *and scope;*

21           *except that (I) the making available of the services*  
 22           *described in paragraph (4), (14), or (16) of section*  
 23           *1905(a) to individuals meeting the age requirements*  
 24           *prescribed therein shall not, by reason of this paragraph*  
 25           *(10), require the making available of any such services,*

1     or the making available of such services of the same  
2     amount, duration, and scope, to individuals of any other  
3     ages, (II) the making available of supplementary medi-  
4     cal insurance benefits under part B of title XVIII to  
5     individuals eligible therefor (either pursuant to an agree-  
6     ment entered into under section 1843 or by reason of  
7     the payment of premiums under such title by the State  
8     agency on behalf of such individuals), or provision for  
9     meeting part or all of the cost of deductibles, cost sharing,  
10    or similar charges under part B of title XVIII for  
11    individuals eligible for benefits under such part, shall  
12    not, by reason of this paragraph (10), require the  
13    making available of any such benefits, or the making  
14    available of services of the same amount, duration, and  
15    scope, to any other individuals, and (III) the making  
16    available of medical assistance equal in amount, dura-  
17    tion, and scope to the medical assistance made available  
18    to individuals described in clause (A) to any classifica-  
19    tion of individuals approved by the Secretary with re-  
20    spect to whom there is being paid, or who are eligible,  
21    or would be eligible if they were not in a medical institu-  
22    tion, to have paid with respect to them, a State supple-  
23    mentary payment shall not, by reason of this paragraph  
24    (10), require the making available of any such assist-  
25    ance, or the making available of such assistance of the

1        *same amount, duration, and scope, to any other indi-*  
2        *viduals not described in clause (A);”.*

3        *(4) Section 1902(a)(13)(B) of such Act is amended*  
4        *by striking out “the State’s plan approved under title I, X,*  
5        *XIV, or XVI, or part A of title IV” and inserting “any*  
6        *plan of the State approved under title I, X, XIV, or XVI,*  
7        *or part A of title IV, or with respect to whom supplemental*  
8        *security income benefits are being paid under title XVI” in*  
9        *lieu thereof.*

10       *(5) Section 1902(a)(14)(A) of such Act is amended*  
11       *by striking out “a State plan approved under title I, X,*  
12       *XIV, or XVI, or part A of title IV, or who meet the income*  
13       *and resources requirements of the one of such State plans*  
14       *which is appropriate” and inserting “any plan of the State*  
15       *approved under title I, X, XIV, or XVI, or part A of title*  
16       *IV, or with respect to whom supplemental security income*  
17       *benefits are being paid under title XVI, or who meet the in-*  
18       *come and resources requirements of the appropriate State*  
19       *plan, or the supplemental security income program under*  
20       *title XVI, as the case may be, and individuals with respect*  
21       *to whom there is being paid, or who are eligible, or would be*  
22       *eligible if they were not in a medical institution, to have paid*  
23       *with respect to them, a State supplementary payment and are*  
24       *eligible for medical assistance equal in amount, duration,*

1 *and scope to the medical assistance made available to individ-*  
2 *uals described in paragraph (10)(A)” in lieu thereof.*

3 *(6) Section 1902(a)(14)(B) of such Act is amended*  
4 *by—*

5 *(A) inserting “(other than individuals with respect*  
6 *to whom there is being paid, or who are eligible or would*  
7 *be eligible if they were not in a medical institution, to*  
8 *have paid with respect to them, a State supplementary*  
9 *payment and are eligible for medical assistance equal in*  
10 *amount, duration, and scope to the medical assistance*  
11 *made available to individuals described in paragraph*  
12 *(10)(A))” immediately after “with respect to individ-*  
13 *uals”;*

14 *(B) inserting “and with respect to whom supple-*  
15 *mental security income benefits are not being paid under*  
16 *title XVI” immediately after “any such State plan”;*

17 *(C) striking out “the one of such State plans which is*  
18 *appropriate” and inserting “the appropriate State plan,*  
19 *or the supplemental security income program under title*  
20 *XVI, as the case may be,” in lieu thereof; and*

21 *(D) striking out “or who, after December 31, 1973,*  
22 *are included under the State plan for medical assistance*  
23 *pursuant to section 1902(a)(10)(B) approved under*  
24 *title XIX”.*



1       (7) *Section 1902(a)(17) of such Act is amended by—*

2           *(A) striking out “the State’s plan approved under*  
 3 *title I, X, XIV, or XVI, or part A of title IV” and in-*  
 4 *serting “any plan of the State approved under title I, X,*  
 5 *XIV, or XVI, or part A of title IV, and with respect to*  
 6 *whom supplemental security income benefits are not being*  
 7 *paid under title XVI” in lieu thereof;*

8           *(B) striking out “if he met the requirements as*  
 9 *to need” and inserting “except for income and re-*  
 10 *sources” in lieu thereof;*

11          *(C) striking out “a State plan approved under*  
 12 *title I, X, XIV, or XVI, or part A of title IV” and*  
 13 *inserting “any plan of the State approved under title*  
 14 *I, X, XIV, or XVI, or part A of title IV, or to have*  
 15 *paid with respect to him supplemental security income*  
 16 *benefits under title XVI” in lieu thereof; and*

17          *(D) striking out “and amount of such aid or as-*  
 18 *sistance under such plan” and inserting “such aid, as-*  
 19 *sistance, or benefits” in lieu thereof.*

20       (8) *Sections 1902(a)(17) and 1902(a)(18) are each*  
 21 *amended by striking out “is blind or permanently and totally*  
 22 *disabled” and inserting “(with respect to States eligible to par-*  
 23 *ticipate in the State program established under title XVI), is*  
 24 *blind or permanently and totally disabled, or is blind or*  
 25 *disabled as defined in section 1614 (with respect to States*

1 *which are not eligible to participate in such program)”*  
2 *in lieu thereof.*

3 *(9) Section 1902(a)(20)(C) of such Act is amended*  
4 *by inserting “, section 603(a)(1)(A) (i) and (ii),” im-*  
5 *mediately after “section 3(a)(4)(A) (i) and (ii)”.*

6 *(10) Section 1902(f) of such Act is amended by—*

7 *(A) inserting “not eligible to participate in the*  
8 *State plan program established under title XVI” immedi-*  
9 *ately after “State” the first time it appears therein;*

10 *(B) striking out “such individual’s payment*  
11 *under title XVI” and inserting “any supplemental*  
12 *security income payment and State supplementary pay-*  
13 *ment made with respect to such individual” in lieu there-*  
14 *of;*

15 *(C) striking out “as defined in section 213 of the*  
16 *Internal Revenue Code of 1954” and inserting “as rec-*  
17 *ognized under State law” in lieu thereof; and*

18 *(D) inserting at the end thereof the following new*  
19 *sentences: “In States which provide medical assistance*  
20 *to individuals pursuant to clause (10)(C) of subsection*  
21 *(a) of this section, an individual who is eligible for*  
22 *medical assistance by reason of the requirements of this*  
23 *section concerning the deduction of incurred medical ex-*  
24 *penses from income shall be considered an individual*  
25 *eligible for medical assistance under clause (10)(A) of*

1       that subsection if that individual is, or is eligible to be (1)  
 2       an individual with respect to whom there is payable a  
 3       State supplementary payment on the basis of which simi-  
 4       larly situated individuals are eligible to receive medical  
 5       assistance equal in amount, duration, and scope to that  
 6       provided to individuals eligible under clause (10)(A),  
 7       or (2) an eligible individual or eligible spouse, as defined  
 8       in title XVI, with respect to whom supplemental security  
 9       income benefits are payable; otherwise that individual  
 10      shall be considered to be an individual eligible for medical  
 11      assistance under clause (10)(C) of that subsection. In  
 12      States which do not provide medical assistance to indi-  
 13      viduals pursuant to clause (10)(C) of that subsection,  
 14      an individual who is eligible for medical assistance by  
 15      reason of the requirements of this section concerning the  
 16      deduction of incurred medical expenses from income shall  
 17      be considered an individual eligible for medical assistance  
 18      under clause (10)(A) of that subsection.”.

19      (11) Section 1903(a)(1) of such Act is amended by  
 20      striking out “individuals who are recipients of money pay-  
 21      ments under a State plan approved under title I, X, XIV, or  
 22      XVI, or part A of title IV” and inserting “individuals who  
 23      are eligible for medical assistance under the plan and (A)  
 24      are receiving aid or assistance under any plan of the State  
 25      approved under title I, X, XIV, or XVI, or part A of title

1 *IV, or with respect to whom supplemental security income*  
 2 *benefits are being paid under title XVI, or (B) with respect*  
 3 *to whom there is being paid a State supplementary payment*  
 4 *and are eligible for medical assistance equal in amount, dura-*  
 5 *tion, and scope to the medical assistance made available to*  
 6 *individuals described in section 1902(a)(10)(A)” in lieu*  
 7 *thereof.*

8 (12) Section 1903(f)(4) of such Act is amended to  
 9 read as follows:

10 “(4) The limitations on payment imposed by the pre-  
 11 ceding provisions of this subsection shall not apply with  
 12 respect to any amount expended by a State as medical assist-  
 13 ance for any individual—

14 “(A) who is receiving aid or assistance under any  
 15 plan of the State approved under title I, X, XIV, or  
 16 XVI, or part A of title IV, or with respect to whom  
 17 supplemental security income benefits are being paid un-  
 18 der title XVI, or

19 “(B) who is not receiving such aid or assistance,  
 20 and with respect to whom such benefits are not being  
 21 paid, but (i) is eligible to receive such aid or assistance,  
 22 or to have such benefits paid with respect to him, or (ii)  
 23 would be eligible to receive such aid or assistance, or  
 24 to have such benefits paid with respect to him if he were  
 25 not in a medical institution, or

1           “(C) with respect to whom there is being paid, or  
2       who is eligible, or would be eligible if he were not in  
3       a medical institution, to have paid with respect to him,  
4       a State supplementary payment and is eligible for medi-  
5       cal assistance equal in amount, duration, and scope to  
6       the medical assistance made available to individuals  
7       described in section 1902(a)(10)(A), but only if the  
8       income of such individual (as determined under section  
9       1612, but without regard to subsection (b) thereof) does  
10      not exceed 300 percent of the supplemental security in-  
11      come benefit rate established by section 1611(b)(1),  
12      at the time of the provision of the medical assistance giving  
13      rise to such expenditure.”

14       (13) The matter before clause (i) in section 1905(a)  
15      of such Act is amended by striking out “individuals not  
16      receiving aid or assistance under the State’s plan approved  
17      under title I, X, XIV, or XVI, or part A of title IV” and  
18      inserting “individuals (other than individuals with respect  
19      to whom there is being paid, or who are eligible, or would  
20      be eligible if they were not in a medical institution, to have  
21      paid with respect to them a State supplementary payment  
22      and are eligible for medical assistance equal in amount,  
23      duration, and scope to the medical assistance made available  
24      to individuals described in section 1902(a)(10)(A)) not  
25      receiving aid or assistance under any plan of the State ap-



1 proved under title I, X, XIV, or XVI, or part A of title  
2 IV, and with respect to whom supplemental security income  
3 benefits are not being paid under title XVI” in lieu thereof.

4 (14) Section 1905(a)(iv) of such Act is amended by  
5 inserting “with respect to States eligible to participate in the  
6 State plan program established under title XVI,” at the end  
7 thereof.

8 (15) Section 1905(a)(v) of such Act is amended by  
9 striking out “or” and inserting “with respect to States eligi-  
10 ble to participate in the State plan program established under  
11 title XVI,” in lieu thereof.

12 (16) Section 1905(a)(vi) of such Act is amended by  
13 inserting “or” at the end thereof.

14 (17) Section 1905(a) of such Act is further amended  
15 by inserting immediately after clause (vi) the following new  
16 clause:

17 “(vii) blind or disabled as defined in section 1614,  
18 with respect to States not eligible to participate in the  
19 State plan program established under title XVI,”.

20 (18) Section 1905 of such Act is amended by inserting  
21 at the end thereof the following new subsections:

22 “(j) The term ‘State supplementary payment’ means  
23 any cash payment made by a State on a regular basis to an  
24 individual who is receiving supplemental security income  
25 benefits under title XVI or who would but for his income

1 *be eligible to receive such benefits, as assistance based on need*  
 2 *in supplementation of such benefits (as determined by the*  
 3 *Secretary), but only to the extent that such payments are*  
 4 *made with respect to an individual with respect to whom sup-*  
 5 *plemental security income benefits are payable under title*  
 6 *XVI, or would but for his income be payable under that*  
 7 *title.*

8       “(k) Increased supplemental security income benefits  
 9 payable pursuant to section 211 of Public Law 93-66 shall  
 10 not be considered supplemental security income benefits pay-  
 11 able under title XVI.”.

12 *Technical Clarification and Modification of Medicaid Eligi-*  
 13 *bility and Federal Title XIX Matching Under Public*  
 14 *Law 93-66*

15       (b)(1)(A) Clause (2)(A) of section 231 of Public  
 16 Law 93-66 is amended by—

17           (i) inserting “received or” immediately before  
 18 “would”, and

19           (ii) striking out “or” at the end thereof and in-  
 20 serting “and” in lieu thereof.

21       (B) Clause (2)(B) of that section is amended by—

22           (i) striking out “was”, and

23           (ii) striking out “need for care in such institution,  
 24 considered to be eligible for aid or assistance under a  
 25 State plan (referred to in subparagraph (A)) for pur-

poses of determining his eligibility” and inserting “status as described in subparagraph (A), was included as an individual eligible” in lieu thereof.

(2) The first sentence of section 232 of Public Law 93-66 is amended by—

(A) striking out “(under the provisions of subparagraph (B) of such section)”,

(B) striking out “to be a person described as being a person who ‘would, if needy, be eligible for aid or assistance under any such State plan’ in subparagraph (B)(i) of such section” and inserting “for purposes of title XIX to be an individual who is blind or disabled within the meaning of section 1614(a) of the Social Security Act” in lieu thereof, and

(C) inserting “, and the other conditions of eligibility contained in the plan of the State approved under title XIX (as it was in effect in December 1973)” before the period at the end thereof.

*Medicaid Eligibility for Individuals Receiving Mandatory State Supplementary Payments*

(c) In addition to other requirements imposed by law as conditions for the approval of any State plan under title XIX of the Social Security Act, there is hereby imposed (effective January 1, 1974) the requirement (and each such State

1 plan shall be deemed to require) that medical assistance  
 2 under such plan shall be provided to any individual—

3       (1) for any month for which there (A) is payable  
 4 with respect to such individual a supplementary payment  
 5 pursuant to an agreement entered into between the State  
 6 and the Secretary of Health, Education, and Welfare  
 7 under section 212(a) of Public Law 93-66, and (B)  
 8 would be payable with respect to such individual such a  
 9 supplementary payment, if the amount of the supple-  
 10 mentary payments payable pursuant to such agreement  
 11 were established without regard to paragraph (3)(A)  
 12 (ii) of such section 212(a), and

13       (2) in like manner, and subject to the same terms and  
 14 conditions, as medical assistance is provided under  
 15 such plan to individuals with respect to whom benefits  
 16 are payable for such month under the supplementary  
 17 security income program established by title XVI of  
 18 the Social Security Act.

19 Federal matching under title XIX of the Social Security  
 20 Act shall be available for the medical assistance furnished  
 21 to individuals who are eligible for such assistance under this  
 22 subsection.

### 23                                   Effective Dates

24       (d) The amendments made by subsection (a) shall be  
 25 effective with respect to payments under section 1903 of the

1 *Social Security Act for calendar quarters commencing after*  
2 *December 31, 1973.*

3       *STANDARDS FOR PAYMENTS UNDER MEDICAID TO*  
4       *HEALTH MAINTENANCE ORGANIZATIONS*

5       *SEC. 172. Section 1903 of such Act is amended by*  
6 *inserting at the end thereof the following new subsection:*

7       *“(1) Payment under the preceding provisions of this*  
8 *section shall be made with respect to any amount expended*  
9 *during calendar quarters commencing after June 30, 1974*  
10 *by a State as payment on a per capita or similar basis for*  
11 *the provision of medical assistance only if—*

12       *“(1) the entity to which such payment is made*  
13 *meets the definition of a health maintenance organization*  
14 *contained in section 1876(b), other than the provisions*  
15 *of clauses (2), (3), and (7),*

16       *“(2) provides physicians’ services primarily (A)*  
17 *directly through physicians who are either employees*  
18 *or partners of such entity, or (B) under formal con-*  
19 *tractual arrangements with one or more groups of phy-*  
20 *sicians (organized on a group practice or individual*  
21 *practice basis) under which each such group is reim-*  
22 *bursed for its services primarily on the basis of an ag-*  
23 *gregate fixed sum or on a per capita basis, regardless of*  
24 *whether the individual physician members of any such*  
25 *group are paid on a fee-for-service or other basis;*



1           “(3) provides either directly or through formal con-  
2           tractual arrangements with others all the services covered  
3           under the State plan, except to the extent that the State  
4           shall have secured from the Secretary a waiver with re-  
5           spect to any particular service, which waiver shall not be  
6           approved by the Secretary unless the State provides as-  
7           surances satisfactory to the Secretary that an alternative  
8           arrangement will be provided for the provision of such  
9           service to individuals receiving medical assistance through  
10          such entity;

11           “(4) of the enrolled members of such entity not less  
12          than (A) 50 per centum of such members (in case such  
13          entity is not an entity described in clause (B)) are in-  
14          dividuals who are neither entitled to benefits under title  
15          XVIII nor eligible for medical assistance under the  
16          State plan approved under this title, or (B) in case  
17          such entity serves a geographic area in which individ-  
18          uals (referred to in clause (A)) constitute less than 50  
19          per centum of the total population, a per centum equal  
20          to whichever of the following is the larger: (i) a per  
21          centum of such members equal to the per centum of such  
22          total population which consists of such individuals, or  
23          (ii) 25 per centum of such members; and

24           “(5) such payment is made under a contract or  
25          other arrangement which has been approved in advance

by the Secretary and which meets requirements imposed by regulations which the Secretary shall prescribe in final form not later than April 30, 1974, for the purpose of assuring that payments by a State on a per capita or similar basis for the provision of medical assistance are subject to substantially the same requirements as those imposed by subsections (a) and (i) of section 1876 with respect to title XVIII, except that, notwithstanding the provisions of section 1876(i)(2)(A), such regulations may authorize a risk sharing contract or arrangement with an otherwise qualified entity which has a current enrollment of at least 5,000 members on a prepaid capitation or similar basis.”.

PAYMENTS TO SUBSTANDARD FACILITIES UNDER  
MEDICAID

SEC. 173. Section 1616 of the Social Security Act is amended by adding at the end thereof the following new subsection:

“(e) Payments made under this title with respect to an individual shall be reduced by an amount equal to the amount of any supplementary payment (as described in subsection (a)) or other payment made by a State (or political subdivision thereof) which is made for or on account of any medical or any other type of remedial care provided by an institution to such individual as an inpatient of such institu-

1 *tion in the case of any State which has a plan approved under*  
 2 *title XIX of this Act if such care is (or could be) provided*  
 3 *under a State plan approved under title XIX of this Act by*  
 4 *an institution certified under such title XIX.”.*

5 *MEDICAID MATCHING FOR EXPENDITURES WITH*  
 6 *RESPECT TO CERTAIN INDIANS*

7 *SEC. 174. (a) Section 1903 of the Social Security Act*  
 8 *is amended by inserting immediately after subsection (d)*  
 9 *thereof the following new subsection:*

10 *“(e) With respect to amounts expended during any*  
 11 *quarter (commencing with the calendar quarter which begins*  
 12 *on January 1, 1974) as medical assistance under the State*  
 13 *plan (including amounts for premiums as described in sub-*  
 14 *section (a)(1)) in providing services to any individual who,*  
 15 *at any time during the twelve-month period ending with the*  
 16 *month preceding the month in which he received such serv-*  
 17 *ices resided on or adjacent to a Federal Indian reservation*  
 18 *or in the State of Alaska, and was eligible for comprehensive*  
 19 *health services under the Indian Health Service program con-*  
 20 *ducted within the Public Health Service, the Federal medical*  
 21 *assistance percentage shall be increased to 100 per centum.”.*

22 *(b) Section 1903 (a)(1) of such Act is amended by*  
 23 *striking out “subsections (g) and (h)” and inserting in lieu*  
 24 *thereof “subsections (g), (e), and (h)”.*

## 1 CERTAIN STATES DEEMED TO HAVE PLANS APPROVED

## 2 UNDER TITLE XIX

3 SEC. 175. (a) In the case of any State (as that term is  
4 used in title XIX of the Social Security Act) which on  
5 October 1, 1973, did not have in effect a State plan ap-  
6 proved under such title, such State shall, for any calendar  
7 quarter which commences on or after January 1, 1974, be  
8 entitled (subject to subsection (b)) to payments under section  
9 1903(a)(1) of such Act with respect to expenditures (made  
10 during such quarter) for premiums under part B of title  
11 XVIII of such Act (as described in such section) in like  
12 manner as if such State had, for such quarter, had in effect  
13 such a State plan and as if such expenditures were made  
14 under such State plan.

15 (b) Payments to any State under subsection (a) shall  
16 be conditioned upon such State's keeping (and making avail-  
17 able to the Secretary of Health, Education, and Welfare)  
18 such records and accounts with respect to the expenditures  
19 on account of which such payments are made as the Secre-  
20 tary shall require in order to assure that such payments are  
21 made subject to substantially the same terms and conditions  
22 as those applicable to payments, with respect to such expendi-  
23 tures, which are payable under title XIX of the Social  
24 Security Act to States which have State plans approved  
25 thereunder.

1    *PAYMENT FOR SERVICES OF PHYSICIANS RENDERED IN A*  
2                                    *TEACHING HOSPITAL*

3            *SEC. 176. (a) (1) Notwithstanding any other provision*  
4    *of law, the provisions of section 1861(b) of the Social Secu-*  
5    *rity Act, shall, subject to subsection (b) of this section, for*  
6    *the period with respect to which this paragraph is applicable,*  
7    *be administered as if paragraph (7) of such section read as*  
8    *follows:*

9            *“(7) a physician where the hospital has a teaching*  
10    *program approved as specified in paragraph (6), if (A)*  
11    *the hospital elects to receive any payment due under this*  
12    *title for reasonable costs of such services, and (B) all*  
13    *physicians in such hospital agree not to bill charges for*  
14    *professional services rendered in such hospital to individ-*  
15    *uals covered under the insurance program established by*  
16    *this title.”.*

17           *(2) Notwithstanding any other provision of law, the*  
18    *provisions of section 1832(a) (2) (B) (i) of the Social Secu-*  
19    *rity Act, shall, subject to subsection (b) of this section, for*  
20    *the period with respect to which this paragraph is applicable,*  
21    *be administered as if subclause II of such section read as*  
22    *follows:*

23            *“(II) a physician to a patient in a hospital*  
24            *which has a teaching program approved as specified*  
25            *in paragraph (6) of section 1861(b) (including*



services in conjunction with the teaching programs of such hospital whether or not such patient is an inpatient of such hospital), where the conditions specified in paragraph (7) of such section are met, and”.

(b) The provisions of subsection (a) shall not be deemed to render improper any determination of payment under title XVIII of the Social Security Act for any service provided prior to the enactment of this Act.

(c)(1) The Secretary of Health, Education, and Welfare shall submit to the Congress a report of his findings and recommendations, based on a study to be conducted as provided in paragraph (2), concerning appropriate and equitable methods of reimbursement for physicians' services under titles XVIII and XIX of the Social Security Act in hospitals which have a teaching program approved as specified in section 1861(b)(6) of such Act not later than July 1, 1974, except that the Secretary may, in accordance with subsection (d), submit such report not later than December 31, 1974, if he finds that additional time is required to prepare such report.

(2) The Social Security Administration shall conduct the study required by paragraph (1). Such study shall be of a representative sample of hospitals to determine the extent to which individuals who are covered under titles XVIII or XIX of the Social Security Act, other Government pro-

1 grams, and private programs incur expenses for physicians'  
 2 professional services with respect to which payment is made  
 3 on the basis of charges, the patient care practices of such  
 4 hospitals (including the extent of physicians' professional  
 5 services involved in such care), and the extent to which pay-  
 6 ment is appropriate under titles XVIII and XIX of the  
 7 Social Security Act with respect to physicians' professional  
 8 services provided in such institutions.

9 (d) The provisions of subsection (a) shall apply with  
 10 respect to cost accounting periods beginning after June 30,  
 11 1973, and prior to June 30, 1974, except that if the Secre-  
 12 tary of Health, Education, and Welfare determines that addi-  
 13 tional time is required to prepare the report required by sub-  
 14 section (c), he may, by regulation, extend the applicability  
 15 of the provisions of subsection (a) to cost accounting periods  
 16 beginning prior to January 1, 1975.

17 USE OF SOCIAL SECURITY ADMINISTRATION IN THE  
 18 ADMINISTRATION OF MEDICARE

19 SEC. 181. (a) The first sentence of section 1874(a)  
 20 of the Social Security Act is amended by striking out "shall  
 21 be administered by the Secretary" and inserting in lieu thereof  
 22 "and section 226 shall be administered by the Secretary; and  
 23 the Secretary, in administering such programs, shall assign  
 24 primary policy, operating, and general administrative re-

1 sponsibility to the Commissioner of Social Security" im-  
 2 mediately after "Secretary".

3 (b) No provision of law (including any such law  
 4 relating to reorganization of the departments and agencies  
 5 of the Government) enacted prior to the date of enactment  
 6 of this Act shall be construed as authorizing any change  
 7 in the effect of the amendment made by subsection (a).

8 REIMBURSEMENT UNDER MEDICARE FOR SERVICES WITH  
 9 RESPECT TO COVERAGE BASED ON CHRONIC KIDNEY  
 10 FAILURE

11 SEC. 182. (a) Section 226(g) of the Social Security  
 12 Act is amended—

13 (1) by inserting "(1)" immediately after "(g)",

14 (2) by striking out "the Secretary is authorized to"  
 15 and inserting in lieu thereof "the Secretary shall",

16 (3) by striking out "as he may" and inserting in  
 17 lieu thereof "as he shall",

18 (4) by striking out "a medical" and inserting in  
 19 lieu thereof "an independent medical", and

20 (5) by adding at the end thereof the following new  
 21 paragraph:

22 "(2) Notwithstanding the provisions of section 1842  
 23 (a), the Secretary is authorized to designate the organiza-  
 24 tions to be used in making payments with respect to kidney  
 25 dialysis services and to provide for payments for such serv-

1 ices by applying such tests of reasonableness as he may find  
 2 appropriate, including a test of relationship of charges to  
 3 costs of providing such services. Notwithstanding the provi-  
 4 sions of section 1842(b)(3), the Secretary is further au-  
 5 thorized to provide for payments for such services on the  
 6 basis of specific individual services and on services expected  
 7 to be rendered over a period of time, and may apply such  
 8 conditions to payment as he may find necessary to limit  
 9 charges to patients in excess of those which he may find  
 10 reasonable. With respect to services expected to be provided  
 11 over a period of time, the Secretary may provide for payments  
 12 on a retainer basis or such other basis as he may by regulation  
 13 prescribe.”.

#### 14 CAPITAL EXPENDITURES PLANNING

15 SEC. 183. (a) Section 1122(c) of the Social Security  
 16 Act is amended by striking out “for the reasonable cost of  
 17 performing the functions specified in subsection (b)” and in-  
 18 serting in lieu thereof the following: “for the reasonable cost  
 19 of submitting to the Secretary reports of disapproved capital  
 20 expenditures together with the reasonable cost of processing  
 21 and adjudicating appeals from the recommendation made by  
 22 the designated agency concerning such expenditures”.

23 (b) Section 201(g)(1) of such Act is amended by insert-  
 24 ing immediately before the period at the end of the first sen-  
 25 tence the following: “, except that funds made available under

1 *this subsection for fiscal years beginning after June 30, 1974,*  
 2 *shall not be used to pay the costs of any activity undertaken*  
 3 *pursuant to section 1122 except as provided by such section”.*

4 *OCCUPATIONAL THERAPY UNDER MEDICARE*

5 *SEC. 184. (a) Section 1814(a)(2)(D) of the Social*  
 6 *Security Act is amended by inserting “, occupational,” imme-*  
 7 *diately after “physical”.*

8 *(b) Section 1835(a)(2)(A)(i) of such Act is amended*  
 9 *by inserting “, occupational,” immediately after “physical”.*

10 *(c) Section 1835(a)(2) of such Act is amended—*

11 *(1) by striking out the period at the end of clause*  
 12 *(D) and inserting in lieu thereof “; and”, and*

13 *(2) by adding after clause (D) the following new*  
 14 *clause:*

15 *“(E) in the case of outpatient occupational therapy*  
 16 *services, (i) such services are or were required because*  
 17 *the individual needed occupational therapy services, (ii)*  
 18 *a plan for furnishing such services has been established*  
 19 *and is periodically reviewed by a physician, and (iii)*  
 20 *such services are or were furnished while the individual*  
 21 *is or was under the care of a physician.”.*

22 *(d) The last sentence of section 1861(p) of such Act is*  
 23 *amended by inserting “and occupational therapy services”*  
 24 *after “speech pathology services”.*

25 *(e) The amendment made by the preceding provisions*



1 of this section shall be applicable in the case of services fur-  
 2 nished on and after the first day of the first month which  
 3 begins not less than thirty days after the date of enactment of  
 4 this Act.

5 BASIS OF MEDICARE PAYMENT FOR SERVICES PROVIDED  
 6 BY AGENCIES AND PROVIDERS

7 SEC. 185. In the administration of titles V, XVIII,  
 8 and XIX of the Social Security Act, the amount payable  
 9 under such title to any hospital, skilled nursing facility, or  
 10 home health agency on account of services provided by such  
 11 hospital, skilled nursing facility, or home health agency shall  
 12 be determined (for any period with respect to which the  
 13 amendments made by section 233 of Public Law 92-603  
 14 would, except for the provisions of this section, be applicable)  
 15 in like manner as if the date contained in the first and second  
 16 sentences of subsection (f) of such section 233 were Decem-  
 17 ber 31, 1973, rather than December 31, 1972.

18 OUTPATIENT SPEECH PATHOLOGY

19 SEC. 186. (a) Section 1861(p) of the Social Security  
 20 Act is amended by inserting immediately before the period  
 21 at the end thereof the following: “, except that the require-  
 22 ments of paragraph (2) insofar as they require a physician  
 23 to establish a plan prescribing the type, amount, and dura-  
 24 tion of speech pathology services to be furnished shall not apply

1 *if such a plan is established by the speech pathologist provid-*  
2 *ing such services”.*

3       *(b) The provisions of this section shall apply with re-*  
4 *spect to services rendered after the month in which this Act*  
5 *is enacted.*

6       STATEWIDE PROFESSIONAL STANDARDS REVIEW

7                       ORGANIZATIONS

8       *SEC. 187. Section 1152 of the Social Security Act is*  
9 *amended by adding at the end thereof the following new*  
10 *subsection:*

11       *“(g) In carrying out the provisions of this section, the*  
12 *Secretary may designate, as an appropriate area with re-*  
13 *spect to which a Professional Standards Review Organiza-*  
14 *tion may be designated, an area encompassing a whole State;*  
15 *and the Secretary shall not refuse to designate any qualified*  
16 *organization as the Professional Standards Review Organi-*  
17 *zation with respect to such area solely because of the number*  
18 *of physicians in such State.”.*

19       PRIORITY IN DESIGNATION OF PROFESSIONAL STANDARDS

20                       REVIEW ORGANIZATIONS

21       *SEC. 188. Section 1152(c) of the Social Security Act*  
22 *is amended by adding after paragraph (2) the following new*  
23 *paragraph:*

24       *“(3) The Secretary shall give priority to designa-*

tion of local areas and priority in designation as the Professional Standards Review Organization for any area to an otherwise qualified organization proposed to be established and operated at a local level.”.

STATEWIDE PROFESSIONAL STANDARDS REVIEW  
COUNCILS

SEC. 189. Section 1162 of the Social Security Act is amended—

(1) by striking out in subsection (a) “three” and inserting in lieu thereof “one”;

(2) by inserting in subsection (b) immediately after “for any State” the following: “in which there are located three or more Professional Standards Review Organizations”;

(3) by redesignating paragraphs (1) through (3) of subsection (b) as subparagraphs (A) through (C) respectively, and by inserting “(1)” immediately after “(b)” in subsection (b); and

(4) by adding after subsection (b)(1), as redesignated, the following new paragraphs:

“(2) The membership of any such Council for any State in which there are located two Professional Standards Review Organizations shall be appointed by the Secretary and shall consist of—

“(A) two representatives from and designated by

1     *each Professional Standards Review Organization in*  
2     *the State;*

3             *“(B) four physicians, two of whom may be desig-*  
4     *nated by the State medical society and two of whom may*  
5     *be designated by the State hospital association of such*  
6     *State to serve as members on such Council; and*

7             *“(C) four persons knowledgeable in health care*  
8     *from such State whom the Secretary shall have selected*  
9     *as representatives of the public in such State (at least*  
10    *two of whom shall have been recommended for member-*  
11    *ship on the Council by the Governor of such State).*

12    *“(3) The membership of any such Council for any*  
13    *State in which there is located one Professional Standards*  
14    *Review Organization shall be appointed by the Secretary and*  
15    *shall consist of—*

16            *“(A) four physicians who shall be nominated by*  
17    *and elected from among the general membership of the*  
18    *Professional Standards Review Organization annually;*

19            *“(B) two physicians who may be designated by the*  
20    *State hospital association of such State to serve as mem-*  
21    *bers on such Council; and*

22            *“(C) four persons knowledgeable in health care*  
23    *from such State whom the Secretary shall have selected*  
24    *as representatives of the public in such State (at least*

1       *two of whom shall have been recommended for member-*  
 2       *ship on the Council by the Governor of such State)."*

3   *POSTPONEMENT ON EFFECTIVE DATE OF CERTAIN RE-*  
 4       *QUIREMENTS IMPOSED WITH RESPECT TO PAYMENT*  
 5       *FOR PHYSICAL THERAPY SERVICES*

6       *SEC. 190. (a) In the administration of title XVIII of*  
 7       *the Social Security Act, the amount payable thereunder with*  
 8       *respect to physical therapy and other services referred to in*  
 9       *section 1861(v)(5)(A) of such Act (as added by section*  
 10       *151(c) of the Social Security Amendments of 1972) shall*  
 11       *be determined (for the period with respect to which the*  
 12       *amendment made by such section 151(c) would, except for*  
 13       *the provisions of this section, be applicable) in like manner as*  
 14       *if the "December 31, 1972", which appears in such sub-*  
 15       *section (d)(3) of such section 151, read "the month in which*  
 16       *there are promulgated, by the Secretary of Health, Education,*  
 17       *and Welfare, final regulations implementing the provisions of*  
 18       *section 1861(v)(5) of the Social Security Act".*

19   *PAYMENT UNDER MEDICARE TO INDIVIDUALS COVERED*  
 20       *BY FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM*

21       *SEC. 191. Section 1862(c) of the Social Security Act*  
 22       *(as added by section 210 of the Social Security Amendments*  
 23       *of 1972) is amended by striking out "January 1, 1975"*  
 24       *and inserting in lieu thereof "January 1, 1976".*



1 *STUDY REGARDING COVERAGE UNDER PART B OF MEDI-*  
2 *CARE FOR CERTAIN SERVICES PROVIDED BY OPTOME-*  
3 *TRISTS*

4 *SEC. 192. The Secretary of Health, Education, and*  
5 *Welfare shall conduct a study of, and submit to the Congress*  
6 *not later than six months after the date of enactment of this*  
7 *section a report containing his findings and recommendations*  
8 *with respect to the appropriateness of reimbursement under*  
9 *the insurance program established by part B of title*  
10 *XVIII of the Social Security Act, of services (but*  
11 *only to the extent any such services are presently not recog-*  
12 *nized for purposes of reimbursement) performed by doctors*  
13 *of optometry with respect to the provision of prosthetic lenses*  
14 *for patients with aphakia.*

15 *COVERAGE OF CERTAIN MAINTENANCE DRUGS ON AN*  
16 *OUTPATIENT BASIS*

17 *SEC. 193. (a) Section 226(c)(1) of the Social Security*  
18 *Act is amended by striking out "and post-hospital home*  
19 *health services" and inserting in lieu thereof "post-hospital*  
20 *home health services, and eligible drugs".*

21 *(b) Section 1811 of such Act is amended by inserting*  
22 *"and eligible drugs" after "related post-hospital services".*

23 *(c) Section 1812(a) of such Act is amended—*

24 *(1) by striking out "and" at the end of paragraph*  
25 *(2);*

1           (2) by striking out the period at the end of para-  
2       graph (3) and inserting in lieu thereof “; and”; and  
3           (3) by adding after paragraph (3) the following  
4       new paragraph:

5           “(4) eligible drugs.”.

6           (d) Section 1813(a) of such Act is amended by adding  
7       at the end thereof the following new paragraph:

8           “(4) The reasonable allowance, as defined in section  
9       1823, for eligible drugs furnished an individual pursuant to  
10      any one prescription (or each renewal thereof) and pur-  
11      chased by such individual at any one time shall be reduced  
12      by an amount equal to the applicable prescription copay-  
13      ment obligation which shall be \$1.”

14          (e)(1) Section 1814(a) of the Social Security Act  
15      is amended—

16           (A) by striking out “and” at the end of para-  
17      graph (6);

18           (B) by striking out the period at the end of para-  
19      graph (7) and inserting in lieu thereof “; and”; and

20           (C) by inserting after paragraph (7) the following  
21      new paragraph:

22           “(8) with respect to drugs or biologicals furnished  
23      pursuant to and requiring (except for insulin) a phy-  
24      sician’s prescription, such drugs or biologicals are eligible  
25      drugs as defined in section 1861(t) and the participating

pharmacy (as defined in section 1861(dd)) has such prescription in its possession, or some other record (in the case of insulin) that is satisfactory to the Secretary.”

(2) Section 1814(b) of such Act is amended—

(A) by inserting “(1)” after “(b)”,

(B) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B) respectively,

(C) by redesignating in subparagraph (A), as redesignated, clauses (A) and (B) as clauses (i) and (ii);

(D) by inserting “(other than a pharmacy)” immediately after “provider of services”, and

(E) by adding at the end thereof the following new paragraph:

“(2) The amount paid to any participating pharmacy which is a provider of services with respect to eligible drugs for which payment may be made under this part shall, subject to the provisions of section 1813, be the reasonable allowance (as defined in section 1823) with respect to such drugs.”

(f) Section 1814 of such Act is amended by adding at the end thereof the following new subsection:

“LIMITATION ON PAYMENT FOR ELIGIBLE DRUGS

“(j) Payment may be made under this part for eligible drugs only when such drugs are dispensed by a participating

1 *pharmacy; except that payment under this part may be made*  
 2 *for eligible drugs dispensed by a physician where the Secre-*  
 3 *tary determines, in accordance with regulations, that such*  
 4 *eligible drugs were required in an emergency or that there*  
 5 *was no participating pharmacy available in the community,*  
 6 *in which case the physician (under regulations prescribed by*  
 7 *the Secretary) shall be regarded as a participating pharmacy*  
 8 *for purposes of this part with respect to the dispensing of*  
 9 *such eligible drugs”*

10 *(g) Part A of title XVIII of such Act is further*  
 11 *amended by adding after section 1819 the following new*  
 12 *sections:*

13 *“MEDICARE FORMULARY COMMITTEE*

14 *“SEC. 1820. (a) (1) There is hereby established, within*  
 15 *the Department of Health, Education, and Welfare, a Medi-*  
 16 *care Formulary Committee (hereinafter referred to as the*  
 17 *‘Committee’), a majority of whose members shall be phy-*  
 18 *sicians and which shall consist of the Commissioner of Food*  
 19 *and Drugs and of four individuals (not otherwise in the em-*  
 20 *ploy of the Federal Government) who do not have a direct*  
 21 *or indirect financial interest in the compensation of the Form-*  
 22 *ulary established under this section and who are of recognized*  
 23 *professional standing and distinction in the fields of medi-*  
 24 *cine, pharmacology, or pharmacy, to be appointed by the*  
 25 *Secretary without regard to the provisions of title 5, United*

1 *States Code, governing appointments in the competitive serv-*  
2 *ice. The Chairman of the Committee shall be elected annu-*  
3 *ally from the appointed members thereof, by majority vote*  
4 *of the members of the Committee.*

5       “(2) *Each appointed member of the Committee shall*  
6 *hold office for a term of five years, except that any member*  
7 *appointed to fill a vacancy occurring prior to the expiration*  
8 *of the term for which his predecessor was appointed shall be*  
9 *appointed for the remainder of such term, and except that*  
10 *the terms of office of the members first taking office shall ex-*  
11 *pire, as designated by the Secretary at the time of appoint-*  
12 *ment, one at the end of each of the first five years. A member*  
13 *shall not be eligible to serve continuously for more than*  
14 *two terms.*

15       “(b) *Appointed members of the Committee, while at-*  
16 *tending meetings or conferences thereof or otherwise serv-*  
17 *ing on business of the Committee, shall be entitled to receive*  
18 *compensation at rates fixed by the Secretary (but not in*  
19 *excess of the daily rate paid under GS-18 of the General*  
20 *Schedule under section 5332 of title 5, United States Code),*  
21 *including traveltime, and while so serving away from their*  
22 *homes or regular places of business they may be allowed*  
23 *travel expenses, as authorized by section 5703 of title 5,*  
24 *United States Code, for persons in the Government service*  
25 *employed intermittently.*



1       “(c)(1) *The Committee is authorized, with the ap-*  
 2 *proval of the Secretary, to engage or contract for such tech-*  
 3 *nical assistance as may be required to carry out its functions,*  
 4 *and the Secretary shall, in addition, make available to the*  
 5 *Committee such secretarial, clerical, and other assistance as*  
 6 *the Formulary Committee may require to carry out its*  
 7 *functions.*

8       “(2) *The Secretary shall furnish to the Committee*  
 9 *such office space, materials, and equipment as may be nec-*  
 10 *essary for the Formulary Committee to carry out its*  
 11 *functions.*

12                                   “MEDICARE FORMULARY

13       “SEC. 1821. (a)(1) *The Committee shall compile,*  
 14 *publish, and make available a Medicare Formulary (here-*  
 15 *inafter in this title referred to as the ‘Formulary’).*

16       “(2) *The Committee shall periodically revise the For-*  
 17 *mulary and the listing of drugs so as to maintain currency*  
 18 *in the contents thereof.*

19       “(b)(1) *The Formulary shall contain an alphabeti-*  
 20 *cally arranged listing, by established name, of those drug*  
 21 *entities within the following therapeutic categories:*

22                   “Adrenocorticoids

23                   “Anti-anginals

24                   “Anti-arrhythmics

25                   “Anti-coagulants

- 1        “*Anti-convulsants (excluding phenobarbital)*
- 2        “*Anti-hypertensives*
- 3        “*Anti-neoplastics*
- 4        “*Anti-Parkinsonism agents*
- 5        “*Anti-rheumatics*
- 6        “*Bronchodilators*
- 7        “*Cardiotonics*
- 8        “*Cholinesterase inhibitors*
- 9        “*Diuretics*
- 10       “*Gout suppressants*
- 11       “*Hypoglycemics*
- 12       “*Miotics*
- 13       “*Thyroid hormones*
- 14       “*Tuberculostatics*
- 15       *which the Committee decides are necessary for individuals*
- 16       *using such drugs. The Committee shall exclude from the*
- 17       *Formulary any drug entities (or dosage forms and strengths*
- 18       *thereof) which the Committee decides are not necessary for*
- 19       *proper patient care, taking into account other drug entities*
- 20       *(or dosage forms and strengths thereof) which are included*
- 21       *in the Formulary.*
- 22       “*(2) Such listing shall include the specific dosage forms*
- 23       *and strengths of each drug entity (included in the Formulary*
- 24       *in accordance with paragraph (1)) which the Committee*
- 25       *decides are necessary for individuals using such drugs.*

1       “(3) Such listing shall include the prices at which the  
2 products (in the same dosage form and strength) of such  
3 drug entities are generally sold by the suppliers thereof and  
4 the limit applicable to such prices under section 1823(b)(1)  
5 for purposes of determining the reasonable allowance.

6       “(4) The Committee may also include in the Formu-  
7 lary, either as a separate part (or parts) thereof or as a  
8 supplement (or supplements) thereto, any or all of the  
9 following information:

10           “(A) A supplemental list or lists, arranged by  
11 diagnostic, prophylactic, therapeutic, or other classifi-  
12 cations, of the drug entities (and dosage forms and  
13 strengths thereof) included in the listing referred to in  
14 paragraph (1).

15           “(B) The proprietary names under which prod-  
16 ucts of a drug entity listed in the Formulary by estab-  
17 lished name (and dosage form and strength) are sold  
18 and the names of each supplier thereof.

19           “(C) Any other information with respect to eli-  
20 gible drug entities which in the judgment of the Com-  
21 mittee would be useful in carrying out the purposes  
22 of this part.

23           “(c) In considering whether a particular drug entity  
24 (or strength or dosage form thereof) shall be included in  
25 or excluded from the Formulary, the Committee is au-

1 *thorized to obtain (upon request therefor) any record per-*  
 2 *taining to the characteristics of such drug entity which is*  
 3 *available to any other department, agency, or instrumen-*  
 4 *tality of the Federal Government, and to request suppliers*  
 5 *or manufacturers of drugs and other knowledgeable persons*  
 6 *or organizations to make available to the Committee in-*  
 7 *formation relating to such drug. If any such record or infor-*  
 8 *mation (or any information contained in such record) is*  
 9 *of a confidential nature, the Committee shall respect the*  
 10 *confidentiality of such record or information and shall limit*  
 11 *its usage thereof to the proper exercise of its authority.*

12       “(d)(1) *The Committee shall establish such procedures*  
 13 *as it determines to be necessary in its evaluation of the*  
 14 *appropriateness of the inclusion in or exclusion from the*  
 15 *Formulary, of any drug entity (or dosage form or strength*  
 16 *thereof). For purposes of inclusion in or exclusion from the*  
 17 *Formulary the principal factors in the determination of the*  
 18 *Committee shall be:*

19           “(A) *the factor of clinical equivalence in the case*  
 20 *of the same dosage forms in the same strengths of the*  
 21 *same drug entity, and*

22           “(B) *the factor of relative therapeutic value in the*  
 23 *case of similar or dissimilar drug entities in the same*  
 24 *therapeutic category.*

25       “(2) *The Committee, prior to making a final decision*

1 to remove from listing in the Formulary any drug entity  
 2 (or dosage forms or strengths thereof) which is included  
 3 therein, shall afford a reasonable opportunity for a formal  
 4 or informal hearing on the matter to any person engaged in  
 5 manufacturing, preparing, compounding, or processing such  
 6 drug entity who shows reasonable ground for such a hearing.

7 “(3) Any person engaged in the manufacture, prepa-  
 8 ration, compounding, or processing of any drug entity  
 9 (or dosage forms or strengths thereof) not included in the  
 10 Formulary which such person believes to possess the requi-  
 11 site qualities to entitle such drug to be included in the  
 12 Formulary pursuant to subsection (b), may petition for  
 13 inclusion of such drug entity and, if such petition is de-  
 14 nied by the Formulary Committee, shall, upon request there-  
 15 for, showing reasonable grounds for a hearing, be afforded  
 16 a formal or informal hearing on the matter in accordance  
 17 with rules and procedures established by such Committee.

18 “LIMITATIONS ON MEDICARE PAYMENT FOR CHARGES OF  
 19 PROVIDERS OF SERVICES

20 “SEC. 1822. (a) Any provider of services as defined  
 21 in section 1861(u), whose services are otherwise reim-  
 22 bursable, under any program under this Act in which there  
 23 is Federal financial participation on the basis of ‘reasonable  
 24 cost’, shall not be entitled to a professional fee or dispensing



1 *charge or reasonable billing allowance as determined pur-*  
 2 *suant to this part.*

3       “(b) A fee, charge, or billing allowance shall not be  
 4 payable under this section with respect to any drug entity  
 5 that (as determined in accordance with regulations) is fur-  
 6 nished as an incident to a physician’s professional service,  
 7 and is of a kind commonly furnished in physicians’ offices and  
 8 commonly either rendered without charge or included in  
 9 the physicians’ bills.

10       “REASONABLE ALLOWANCE FOR ELIGIBLE DRUGS

11       “SEC. 1823. (a) For purposes of this part, the term  
 12 ‘reasonable allowance’ when used in reference to an eligible  
 13 drug (as defined in subsection (h) of this section) means  
 14 the following:

15       “(1) When used with respect to a prescription  
 16 legend drug entity, in a given dosage form and strength,  
 17 such term means the lesser of—

18               “(A) an amount equal to the customary charge  
 19 at which the participating pharmacy sells or offers  
 20 such drug entity, in a given dosage form and  
 21 strength, to the general public, or

22               “(B) the price determined by the Secretary, in  
 23 accordance with subsection (b) of this section, plus  
 24 the professional fee or dispensing charges determined  
 25 in accordance with subsection (c) of this section.

1           “(2) When used with respect to insulin such term  
2       means the charge not in excess of the reasonable cus-  
3       tomary price at which the participating pharmacy offers  
4       or sells the product to the general public, plus a rea-  
5       sonable billing allowance.

6           “(b)(1) For purposes of establishing the reasonable  
7       allowance in accordance with subsection (a) the price shall  
8       be (A) in the case of a drug entity (in any given dosage  
9       form and strength) available from and sold by only one  
10      supplier, the price at which such drug entity is generally  
11      sold (to establishments dispensing drugs), and (B) in any  
12      case in which a drug entity (in any given dosage form and  
13      strength is available and sold by more than one supplier,  
14      only each of the lower prices at which the products of such  
15      drug entity are generally sold (and such lower prices shall  
16      consist of only those prices of different suppliers sufficient to  
17      assure actual and adequate availability of the drug entity,  
18      in a given dosage form and strength, at such prices in a  
19      region).

20          “(2) If a particular drug entity (in a given dosage form  
21      and strength) in the Formulary is available from more than  
22      one supplier, and the product of such drug entity as avail-  
23      able from one supplier possesses demonstrated distinct  
24      therapeutic advantages over other products of such drug  
25      entity as determined by the Committee on the basis of its

1 *scientific and professional appraisal of information available*  
2 *to it, including information and other evidence furnished to*  
3 *it by the supplier of such drug entity, then the reasonable*  
4 *allowance for such supplier's drug product shall be based*  
5 *upon the price at which it is generally sold to establishments*  
6 *dispensing drugs.*

7       “(3) *If the prescriber, in his handwritten order, has*  
8 *specifically designated a particular product of a drug entity*  
9 *(and dosage form and strength) included in the Formulary*  
10 *by its established name together with the name of the sup-*  
11 *plier of the final dosage form thereof, the reasonable allow-*  
12 *ance for such drug product shall be based upon the price at*  
13 *which it is generally sold to establishments dispensing drugs.*

14       “(c)(1) *For the purpose of establishing the reasonable*  
15 *allowance (in accordance with subsection (a)), a partic-*  
16 *ipating pharmacy shall, in the form and manner prescribed*  
17 *by the Secretary, file with the Secretary, at such times as he*  
18 *shall specify, a statement of its professional fee or other*  
19 *dispensing charges.*

20       “(2) *A participating pharmacy, which has agreed*  
21 *with the Secretary to serve as a provider of services under*  
22 *this part, shall, except for subsection (a)(1)(A), be reim-*  
23 *bursed, in addition to any price provided for in subsection*  
24 *(b), the amount of the fee or charges filed in paragraph*  
25 *(1), except that no fee or charges shall exceed the highest*

1 fee or charges filed by 75 per centum of participating phar-  
 2 macies (with such pharmacies classified on the basis of (A)  
 3 lesser dollar volume of prescriptions and (B) all others) in  
 4 a census region which were customarily charged to the gen-  
 5 eral public as of June 1, 1972. Such prevailing professional  
 6 fees or dispensing charges may be modified by the Secretary  
 7 in accordance with criteria and types of data comparable  
 8 to those applicable to recognition of increases in reasonable  
 9 charges for services under section 1842.

10 “(3) A participating pharmacy shall agree to certify  
 11 that, whenever such pharmacy is required to submit its usual  
 12 professional fee or dispensing charge for a prescription, such  
 13 charge does not exceed its customary charge.”

14 (h) Section 1861(t) of such Act is amended—

15 (1) by inserting “, or as are approved by the For-  
 16 mulary Committee” and after “for use in such hospital”;  
 17 and

18 (2) by adding at the end thereof the following new  
 19 sentence: “The term ‘eligible drug’ means a drug or  
 20 biological which (A) can be self-administered, (B) re-  
 21 quires a physician’s prescription (except for insulin),  
 22 (C) is prescribed when the individual requiring such  
 23 drug is not an inpatient in a hospital or extended care  
 24 facility, during a period of covered care, (D) is included  
 25 by strength and dosage forms among the drugs and

1        *biologicals approved by the Formulary Committee, (E)*  
 2        *is dispensed (except as provided by section 1814(j)),*  
 3        *by a pharmacist from a participating pharmacy, and*  
 4        *(F) is dispensed in quantities consistent with proper*  
 5        *medical practice and reasonable professional discretion.”*

6        *(i) Section 1861(u) of such Act is further amended by*  
 7        *striking out “or home health agency” and inserting in lieu*  
 8        *thereof “home health agency, pharmacy,”.*

9        *(j) Section 1861 of such Act is further amended by*  
 10       *adding at the end thereof the following new subsection:*

11                                *“Participating Pharmacy*

12        *“(aa) The term ‘participating pharmacy’ means a*  
 13        *pharmacy, or other establishment (including the outpatient*  
 14        *department of a hospital) providing pharmaceutical serv-*  
 15        *ices, (1) which is licensed as such under the laws of the*  
 16        *State (where such State requires such licensure) or which*  
 17        *is otherwise lawfully providing pharmaceutical services in*  
 18        *which such drug is provided or otherwise dispensed in ac-*  
 19        *cordance with this title, (2) which has agreed with the Sec-*  
 20        *retary to act as a provider of services in accordance with*  
 21        *the requirements of this section, and which complies with*  
 22        *such other requirements as may be established by the Sec-*  
 23        *retary in regulations to assure the proper, economical, and*  
 24        *efficient administration of this title, (3) which has agreed*  
 25        *to submit, at such frequency and in such form as may be*



1 *prescribed in regulations, bills for amounts payable under*  
2 *this title for eligible drugs furnished under part A of this*  
3 *title, and (4) which has agreed not to charge beneficiaries*  
4 *under this title any amounts in excess of those allowable*  
5 *under this title with respect to eligible drugs except as is*  
6 *provided under section 1813(a)(4), and except for so*  
7 *much of the charge for a prescription (in the case of a drug*  
8 *product prescribed by a physician, of a drug entity in a*  
9 *strength and dosage form included in the Formulary where*  
10 *the price at which such product is sold by the supplier thereof*  
11 *exceeds the reasonable allowance) as is in excess of the*  
12 *reasonable allowance established for such drug entity in ac-*  
13 *cordance with section 1823."*

14 *(k)(1) The first sentence of section 1866(a)(2)(A)*  
15 *of such Act is amended by striking out "and (ii)" and*  
16 *inserting in lieu thereof the following: "(ii) the amount*  
17 *of any copayment obligation and excess above the reason-*  
18 *able allowance consistent with section 1861(aa)(4), and*  
19 *(iii)".*

20 *(2) The second sentence of section 1866(a)(2)(A)*  
21 *of such Act is amended by striking out "clause (ii)" and*  
22 *inserting in lieu thereof "clause (iii)".*

23 *(l) Notwithstanding any other provision of this Act, the*  
24 *amendments made by this section shall apply with respect*

1 to eligible drugs furnished on and after the first day of  
2 July 1974.

### 3 *RATES OF TAX FOR HOSPITAL INSURANCE*

4 *SEC. 194.* Notwithstanding any other provision of  
5 law, the rates of tax for hospital insurance imposed under  
6 sections 1401(b)(3) through (6), 3101(b)(3) through (6),  
7 and 3111(b)(3) through (6) of the Internal Revenue Code  
8 (as amended by section 105(b) of this Act) shall be in-  
9 creased from 0.90 percent to 0.95 percent, from 1.10 percent  
10 to 1.15 percent, from 1.35 percent to 1.40 percent, and  
11 from 1.50 percent to 1.55 percent.

### 12 *JUDICIAL REVIEW OF DECISIONS OF PROVIDER REIM-* 13 *BURSEMENT REVIEW BOARD*

14 *SEC. 195.* (a) Section 1878(f) of the Social Security  
15 Act is amended to read as follows:

16 “(f)(1) A decision of the Board shall be final unless  
17 the Secretary, on his own motion, and within 60 days after  
18 the provider of services is notified of the Board’s decision,  
19 reverses, affirms, or modifies the Board’s decision. Providers  
20 shall have the right to obtain judicial review of any final  
21 decision of the Board, or of any reversal, affirmance, or  
22 modification by the Secretary, by a civil action commenced  
23 within 60 days of the date on which notice of any final deci-  
24 sion by the Board or of any reversal, affirmance or modifi-  
25 cation by the Secretary is received. Such action shall be

1 brought in the district court of the United States for the judi-  
2 cial district in which the provider is located or in the Dis-  
3 trict Court for the District of Columbia and shall be tried  
4 pursuant to the applicable provisions under chapter 7 of title  
5 5, United States Code, notwithstanding any other provisions  
6 in section 205.

7 “(2) Where a provider seeks judicial review pursuant  
8 to paragraph (1), the amount in controversy shall be sub-  
9 ject to annual interest beginning on the first day of the first  
10 month beginning after the 180 day period as determined  
11 pursuant to subsection (a)(3) and equal to the rate of return  
12 of equity capital established by regulation pursuant to section  
13 1861(v)(1)(B) and in effect at the time the civil action  
14 authorized under paragraph (1) is commenced, to be awarded  
15 by the reviewing court in favor of the prevailing party.

16 “(3) No interest awarded pursuant to paragraph (2)  
17 shall be deemed income or cost for the purposes of determin-  
18 ing reimbursement due providers under this Act.”

19 (b) Notwithstanding any other provision of law, section  
20 1878 of the Social Security Act shall not be construed as  
21 affecting any right to judicial review which may otherwise be  
22 available under law to providers of services with respect to  
23 cost reports for accounting periods ending prior to June 30,  
24 1973.

*PRACTITIONER MAY NOT BE DENIED PARTICIPATION IN  
MEDICARE OR MEDICAID FOR FAILURE TO PERFORM  
STERILIZATION PROCEDURES OR ABORTIONS*

*SEC. 196. (a) Title XVIII of the Social Security Act is  
amended by adding at the end thereof the following new  
section:*

*“SEC. 1880. (a) Nothing in this title shall be construed  
to require—*

*“(1) any individual to perform or assist in the per-  
formance of any sterilization procedure or abortion if his  
performance or assistance in the performance of such  
procedure or abortion would be contrary to his religious  
beliefs or moral convictions; or*

*“(2) any provider of services to—*

*“(A) make its facilities available for the per-  
formance of any sterilization procedure or abortion  
if the performance of such procedure or abortion in  
such facilities is prohibited by the entity on the basis  
of religious beliefs or moral convictions, or*

*“(B) provide any personnel for the perform-  
ance of assistance in the performance of any sterili-  
zation procedure or abortion if the performance or  
assistance in the performance of such procedure or  
abortion by such personnel would be contrary to the*

1           religious beliefs or moral convictions of such  
2           personnel.

3           “(b) No provider of services which receives any pay-  
4   ment under this title may—

5           “(1) discriminate in the employment, promotion,  
6           or termination of employment of any physician or other  
7           health care personnel, or

8           “(2) discriminate in the extension of staff or other  
9           privileges to any physician or other health care per-  
10          sonnel, because he performed or assisted in the per-  
11          formance of a lawful sterilization procedure or abortion,  
12          because he refused to perform or assist in the perform-  
13          ance of such a procedure or abortion on the grounds  
14          that his performance or assistance in the performance  
15          of the procedure or abortion would be contrary to his  
16          religious beliefs or moral convictions, or because of his  
17          religious beliefs or moral convictions respecting sterili-  
18          zation procedures or abortions.”.

19          (b) Title XIX of the Social Security Act is amended  
20   by adding at the end thereof the following new section:

21          “SEC. 1911. (a) Nothing in this title shall be construed  
22   to require—

23          “(1) any individual to perform or assist in the per-  
24          formance of any sterilization procedure or abortion in  
25          his performance or assistance in the performance of such



1     *procedure or abortion would be contrary to his religious*  
2     *beliefs or moral convictions; or*

3         *“(2) any agency, institution, or facility to—*

4             *“(A) make its facilities available for the per-*  
5             *formance of any sterilization procedure or abortion*  
6             *if the performance of such procedure or abortion in*  
7             *such facilities is prohibited by the entity on the basis*  
8             *of religious beliefs or moral convictions, or*

9             *“(B) provide any personnel for the perform-*  
10            *ance or assistance in the performance of any sterili-*  
11            *zation procedure or abortion if the performance or*  
12            *assistance in the performance of such procedure or*  
13            *abortion by such personnel would be contrary to the*  
14            *religious beliefs or moral convictions of such*  
15            *personnel.*

16     *“(b) No agency, institution, or facility which receives*  
17     *any payment under this title may—*

18         *“(1) discriminate in the employment, promotion,*  
19         *or termination of employment of any physician or other*  
20         *health care personnel, or*

21         *“(2) discriminate in the extension of staff or other*  
22         *privileges to any physician or other health care person-*  
23         *nel, because he performed or assisted in the performance*  
24         *of a lawful sterilization procedure or abortion, because*  
25         *he refused to perform or assist in the performance of*

1        *such a procedure or abortion on the grounds that his*  
 2        *performance or assistance in the performance of the*  
 3        *procedure or abortion would be contrary to his religious*  
 4        *beliefs or moral convictions respecting sterilization pro-*  
 5        *cedures or abortions.”.*

6        *(c) The amendments made by this section shall be effec-*  
 7        *tive on the first day of the month following the month in*  
 8        *which this Act is enacted.*

9        *LIBERALIZATION OF MEDICARE LIFETIME RESERVE*

10        *SEC. 197. (a) Section 1812 of the Social Security*  
 11        *Act is amended—*

12                *(1) by striking out “150” in subsection (a)(1)*  
 13                *and inserting in lieu thereof “210”;*

14                *(2) by striking out “150” in subsection (b)(1)*  
 15                *and inserting in lieu thereof “210”; and*

16                *(3) by striking out “150-day” in subsection (c)*  
 17                *and inserting in lieu thereof “210-day”.*

18        *(b) The last sentence of section 1813(a)(1) of the*  
 19        *Social Security Act is amended to read as follows: “Such*  
 20        *amount shall be further reduced by a coinsurance amount*  
 21        *equal to one-fourth of the inpatient hospital deductible for*  
 22        *each day (before the day following the last day for which*  
 23        *such individual is entitled under section 1812(a)(1) to*  
 24        *have payment made on his behalf for inpatient hospital serv-*  
 25        *ices during such spell of illness) on which such individual*

1 *is furnished such services during such spell of illness after*  
 2 *such services have been furnished to him for 60 days during*  
 3 *such spell, except that the reduction under this sentence for*  
 4 *any day shall not exceed the charges imposed for that day*  
 5 *with respect to such individual for such services (and for*  
 6 *this purpose, if the customary charges for such services are*  
 7 *greater than the charges so imposed, such customary charges*  
 8 *shall be considered to be the charges so imposed).''.*

9 *(c) The changes made by this section shall become ef-*  
 10 *fective January 1, 1974.*

11 *DEFINITION OF "SPELL OF ILLNESS" UNDER MEDICARE*

12 *SEC. 198. (a) Section 1861(a)(2) of the Social Secu-*  
 13 *rity Act is amended to read as follows:*

14 *"(2) ending with the close of—*

15 *"(A) the first period of sixty consecutive days*  
 16 *thereafter on each of which he is neither (i) an*  
 17 *inpatient of a hospital nor (ii) an inpatient of a*  
 18 *skilled nursing facility, or*

19 *"(B) in the case such individual meets the*  
 20 *condition imposed by subparagraph (A)(i) but*  
 21 *does not meet the condition imposed by subpara-*  
 22 *graph (A)(ii), the first period of one hundred*  
 23 *and eighty consecutive days thereafter on each of*  
 24 *which—*

1                   “(i) he is an inpatient of a skilled nursing  
2                   facility,

3                   “(ii) receives neither (I) skilled nursing  
4                   care and related services (as described in sub-  
5                   section (j)(1)(A)), nor (II) rehabilitation  
6                   services (as described in subsection (j)(1)  
7                   (B)), and

8                   “(iii) such facility is not receiving pay-  
9                   ment for skilled nursing services provided to  
10                  such individual under a State plan approved  
11                  under title XIX.”.

12               (b) The amendments made by this section shall be  
13               applicable in the case of determinations under title XVIII  
14               of the Social Security Act, with respect to the ending of any  
15               spell of illness, made after the date of enactment of this Act;  
16               except that no spell of illness shall, by reason of such  
17               amendments, be determined to have ended prior to the date  
18               of enactment of this Act.

19               COVERAGE UNDER MEDICARE FOR THE DISABLED SPOUSE  
20               OF AN INDIVIDUAL WHO IS COVERED UNDER MEDI-  
21               CARE BY REASON OF DISABILITY

22               SEC. 198A. (a) Section 226(b) of the Social Security  
23               Act is amended by adding at the end thereof the following  
24               new sentences: “If, for any month, an individual is en-  
25               titled (or was entitled for the month preceding the month

1 in which he attained age 65), by reason of the preceding  
 2 provisions of this subsection, to hospital insurance benefits  
 3 under part A of title XVIII, then the spouse of such indi-  
 4 vidual shall also be entitled to such benefits for such month  
 5 if (A) for such month such spouse is not otherwise entitled  
 6 to such benefits, (B) such spouse is under a disability (as  
 7 that term is employed in section 223(d) when applied in  
 8 the case of a widow, surviving divorced wife, or widower),  
 9 and (C) such spouse is wholly dependent upon such indi-  
 10 vidual for such spouse's support. As used in the preceding  
 11 sentence, the term 'spouse', when used in reference to any  
 12 individual, means the husband or wife of such individual, as  
 13 those terms are employed in title II. Any individual who,  
 14 by reason of the two preceding sentences is entitled to hos-  
 15 pital insurance benefits under part A of title XVIII, shall,  
 16 for purposes of such title, be treated as an individual who is  
 17 entitled to such benefits by reason of the first sentence of  
 18 this subsection.'".

19 (b) The amendment made by subsection (a) shall be  
 20 effective upon enactment of this Act, except that no indi-  
 21 vidual shall become entitled to hospital insurance benefits  
 22 under part A of title XVIII of the Social Security Act by  
 23 reason of such amendment for any month prior to the month  
 24 which follows the month in which this Act is enacted.



1 STUDY TO DETERMINE FEASIBILITY OF PROVIDING PAY-  
 2 MENTS UNDER TITLE XVIII FOR THE SERVICES OF  
 3 AIDES FOR HOME DIALYSIS PATIENTS

4 SEC. 198B: *The Commissioner of Social Security shall*  
 5 *conduct a study of the feasibility and appropriateness of pro-*  
 6 *viding payments under part B of title XVIII of the Social*  
 7 *Security Act for the services of home health personnel to*  
 8 *assist patients enrolled under such part to perform dialysis*  
 9 *in such patients' homes, and to make a report and recom-*  
 10 *mendation thereon to the Congress prior to January 1,*  
 11 *1975. The study shall include consideration of the number*  
 12 *of patients involved and the medical, economic, social, and*  
 13 *psychological impact of utilizing such home health person-*  
 14 *nel on a general or limited basis, including consideration of*  
 15 *the economy of home dialysis with paid assistance in com-*  
 16 *parison with the costs of alternative approaches, such as the*  
 17 *use of self-dialysis facilities.*

18 LIMIT ON MEDICARE INPATIENT HOSPITAL DEDUCTIBLE

19 SEC. 198C. *Section 1813(b)(1) of the Social Security*  
 20 *Act is amended by striking out all of the second sentence and*  
 21 *inserting in lieu thereof: "Such inpatient hospital deductible*  
 22 *shall be equal to—*

23 "(A) *with respect to calendar years after 1968*  
 24 *and before 1974, \$40 multiplied by the ratio of (i) the*

current average per diem rate for inpatient hospital services for the calendar year preceding the year of promulgation, to (ii) the current average per diem rate for such services for 1966;

“(B) with respect to calendar year 1974, \$72; and

“(C) with respect to calendar years after 1974, \$72 multiplied by the ratio of (i) the current average per diem rate for inpatient hospital services for the calendar year preceding the year of promulgation, to (ii) the current average per diem rate for such services for 1972.”.

#### PROHIBITION OF FEDERAL FUNDING FOR ABORTIONS

##### UNDER MEDICAID

SEC. 198D. None of the funds provided under title XIX of the Social Security Act may be used for the performance of abortions.

MEDICARE FOR INDIVIDUALS, AGE 60 THROUGH 64, WHO ARE ENTITLED TO BENEFITS UNDER SECTION 202 OR WHO ARE SPOUSES OF INDIVIDUALS ENTITLED TO HEALTH INSURANCE

SEC. 198E. (a) Title XVIII of the Social Security Act is amended by adding after section 1818 the following new section:

1 “HOSPITAL INSURANCE FOR INDIVIDUALS, AGE 60  
2 THROUGH 64, WHO ARE ENTITLED TO BENEFITS UNDER  
3 SECTION 202 OR WHO ARE SPOUSES OF INDIVIDUALS  
4 ENTITLED TO HEALTH INSURANCE

5 “SEC. 1819. (a) Every individual who—

6 “(1) has attained the age of 60, but has not attained  
7 the age of 65; and

8 “(2) is either—

9 “(A) an individual entitled to monthly insur-  
10 ance benefits under section 202 or benefits under the  
11 Railroad Retirement Act of 1937, or

12 “(B) the wife or husband of a person entitled  
13 to benefits under this part, or

14 “(C) an individual entitled to benefits under—

15 “(i) section 223(a), or

16 “(ii) subsections (e), (f), (g), or (h),  
17 of section 202 based on disability,

18 but who has not met the conditions of section 226  
19 (b)(2); and

20 “(3) is enrolled under part B of this title shall be  
21 eligible to enroll in the insurance program established by  
22 this part.

1       “(b)(1) *An individual may enroll only once under this*  
2 *section and only in such manner and form as may be pre-*  
3 *scribed in regulations, and only during an enrollment period*  
4 *prescribed in or under this section.*

5       “(2) *In the case of an individual who satisfies para-*  
6 *graph (1) of subsection (a) of this section and either sub-*  
7 *paragraph (A) or (C) of paragraph (2) of such subsec-*  
8 *tion, his enrollment period shall begin with whichever of the*  
9 *following is the latest:*

10           “(A) *April 1, 1974, or*

11           “(B) *the date such individual first meets the condi-*  
12 *tions in such paragraph (2), or*

13           “(C) *the date the Secretary sends notice to such in-*  
14 *dividual that he is entitled to any monthly insurance ben-*  
15 *efits as specified in subparagraph (A) or (C) of such*  
16 *paragraph (2),*

17 *and shall end at the close of the—*

18           “(D) *90th day thereafter, if such enrollment period*  
19 *begins on the date specified in subparagraph (B) or*  
20 *(C) of this paragraph, or*

21           “(E) *the 180th day thereafter, if such enrollment*  
22 *period begins on April 1, 1974.*

1       “(3) In the case of an individual satisfying paragraph  
 2   (1) and paragraph (2)(B) of subsection (a) of this section,  
 3   his enrollment period shall begin on whichever of the follow-  
 4   ing is the later: (A) April 1, 1974, or (B) the date such  
 5   individual first meets the conditions specified in such para-  
 6   graphs, and shall end at the close of the (C) 90th day there-  
 7   after, if such enrollment period begins on the date specified  
 8   in clause (B) of this paragraph or (D) the 180th day there-  
 9   after, if such enrollment period begins on April 1, 1974.

10       “(c)(1) In the case of an individual who enrolls pur-  
 11   suant to the provisions of this section, the coverage period  
 12   during which he is entitled to benefits under this part shall  
 13   begin on the first day of the second month after the month  
 14   in which he enrolls, or July 1, 1974, whichever is later.

15       “(2) An individual’s coverage period shall terminate at  
 16   the earlier of the following—

17       “(A) for failure to make timely premium pay-  
 18   ments, at such time as may be prescribed in regula-  
 19   tions which may include a grace period in which over-  
 20   due premiums may be paid and coverage continued, but  
 21   such grace period shall not exceed 30 days, except that it  
 22   may be extended to not to exceed 60 days in any case  
 23   where the Secretary determines that there was good  
 24   cause for failure to pay overdue premiums within such  
 25   30-day period; or



1           “(B) at the close of the month following the month  
2       in which an individual files a notice with the Secretary  
3       that he no longer desires to be enrolled under this sec-  
4       tion; or

5           “(C) with the month before the month he no longer  
6       meets the conditions specified in subsection (a).

7       Notwithstanding the preceding provisions of this paragraph  
8       an individual's coverage period shall terminate at such time  
9       as such individual becomes eligible for hospital insurance  
10      benefits under section 226 of this Act or section 103 of the  
11      Social Security Amendments of 1965; and upon such termi-  
12      nation such individual shall be deemed, solely for purposes  
13      of hospital insurance entitlement, to have filed in such month  
14      the application required to establish such entitlement.

15       “(d)(1) The monthly premium of each individual  
16      under this section for each month in his coverage period be-  
17      fore July 1975 shall be \$33.

18       “(2) The Secretary shall, during December of 1974 and  
19      of each year thereafter, determine and promulgate the dollar  
20      amount (whether or not such dollar amount was applicable  
21      for premiums for any prior month) which shall be applicable  
22      for premiums chargeable to individuals for months occurring  
23      in the 12-month period commencing July 1 of the next suc-  
24      ceeding year. Such amount shall be actuarially adequate on a  
25      per capita basis to meet the estimated amounts of incurred

1 *claims and administrative expenses for individuals enrolled*  
2 *under this section during such period; and such amount shall*  
3 *take into consideration underwriting losses or gains incurred*  
4 *during prior years. Any amount determined under the pre-*  
5 *ceding sentence which is not a multiple of \$1 shall be rounded*  
6 *to the nearest \$1, or if midway between multiples of \$1, to*  
7 *the next higher multiple of \$1.*

8       “(e) *Payment of the monthly premiums on behalf of any*  
9 *individual who meets the conditions of subsection (a) may be*  
10 *made by any public or private agency or organization under*  
11 *a contract or other arrangement entered into between it and*  
12 *the Secretary if the Secretary determines that payment of*  
13 *such premiums under such contract or other arrangement is*  
14 *administratively feasible.*

15       “(f)(1) *The provisions of section 1840 shall apply to*  
16 *individuals enrolled under this section if such individuals are*  
17 *entitled to monthly insurance benefits under section 202 or*  
18 *223. The provisions of subsections (e), (f), (g), and (h)*  
19 *of such section 1840 shall apply to any other individual so*  
20 *enrolled.*

21       “(2) *Where an individual enrolled under this section*  
22 *meets the provisions of paragraph (2)(B) of subsection (a)*  
23 *(but does not meet the provisions of paragraph (2)(A)*  
24 *or (2)(C) of such subsection) and the person referred to in*  
25 *such paragraph (2)(B) is entitled to monthly insurance*

benefits under section 202 or section 223, the provisions of section 1840(a)(1) shall apply to such benefits as though such husband or wife were entitled to such benefits, unless such person files a notice with the Secretary that the deductions provisions of such section 1840(a)(1) shall not apply.

“(g) The term ‘wife’, or ‘husband’ as used in this section shall have the meaning assigned to those terms by subsection (b) and subsection (f) of section 216, as the case may be, except that the provisions of clause (2) of such subsection (b) and clause (2) of such subsection (f) shall not apply.”.

(b) Title XVIII of such Act is further amended by adding after section 1844 the following new section:

“ELIGIBILITY OF INDIVIDUALS, AGE 60 THROUGH 64, WHO ARE ENTITLED TO BENEFITS UNDER SECTION 202 OR WHO ARE SPOUSES OF INDIVIDUALS ENTITLED TO HOSPITAL INSURANCE

“SEC. 1845. (a) Any individual who meets the conditions of paragraph (1) and paragraph (2) of section 1819 (a) shall be eligible to enroll in the insurance program established by this part. The provisions of subsections (b), (c), (e), (f), and (g) of section 1819 shall apply to individuals authorized to enroll under this section.

“(b) An individual’s coverage period shall also terminate when (A) he no longer meets the conditions specified

1 in paragraphs (1) and (2) of section 1819(a) or (B)  
2 his enrollment under section 1819 is terminated. Where  
3 termination occurs pursuant to this subsection, the coverage  
4 period shall terminate with the close of whichever of the fol-  
5 lowing months is the earliest: (C) the month before the  
6 month the individual attains the age of 65 or (D) the month  
7 following the month in which such individual no longer meets  
8 the conditions of paragraph (2) of section 1819(a) or (E)  
9 the month in which his enrollment under section 1819  
10 terminates.

11 “(c)(1) The monthly premium of each individual under  
12 this section for each month in his coverage period before  
13 July 1975 shall be 200 per centum of the premium payable  
14 by an individual who has attained age 65 for such month.

15 “(2) The Secretary shall, during December of each  
16 year beginning in 1974, determine and promulgate the dol-  
17 lar amount (whether or not such dollar amount was appli-  
18 cable for premiums for any prior month) which shall be  
19 applicable for premiums for months occurring in the 12-  
20 month period commencing July 1 of the next year. Such  
21 amount shall be actuarially adequate on a per capita basis to  
22 meet the estimated amounts of incurred claims and adminis-  
23 trative expenses for individuals enrolled under this section  
24 during such period, and such amount shall take into consid-

1 eration underwriting losses or gains incurred during prior  
 2 years. Any amount determined under the preceding sentence  
 3 which is not a multiple of \$1 shall be rounded to the nearest  
 4 \$1 or if midway between multiples of \$1, to the next higher  
 5 multiple of \$1.

6 “(d) All premiums collected from individuals enrolled  
 7 pursuant to this section shall be deposited in the Federal  
 8 Supplementary Medical Insurance Trust Fund.”.

9 TO EXTEND TO CERTAIN RECIPIENTS OF ANNUITY OR  
 10 PENSION UNDER THE RAILROAD RETIREMENT ACT THE  
 11 TREATMENT ACCORDED TO CERTAIN SOCIAL SECURITY  
 12 RECIPIENTS UNDER SECTION 249E OF THE SOCIAL  
 13 SECURITY AMENDMENTS OF 1972, AS AMENDED  
 14 SEC. 198F. Section 249E of the Social Security  
 15 Amendments of 1972, as amended, is amended—

16 (1) by inserting “, or was a recipient of a monthly  
 17 payment of annuity or pension under the Railroad Re-  
 18 tirement Act of 1937 or the Railroad Retirement Act of  
 19 1935,” after “was entitled to monthly insurance benefits  
 20 under title II of such Act”; and

21 (2) by inserting “, or (in the case of a recipient of  
 22 such a monthly payment of annuity or pension) the in-  
 23 crease in such payment,” after “increase in monthly in-  
 24 surance benefits under title II of such Act”.



1 *DEFINITION OF IMMEDIATE CARE FACILITY AND IMMEDI-*  
 2 *ATE CARE FACILITY SERVICES IN TITLE XVIII*

3 *SEC. 198G. (a) Section 1861(e) of the Social Security*  
 4 *Act is amended by inserting, immediately before the last*  
 5 *sentence thereof, the following: "The term 'hospital' also*  
 6 *includes an immediate care facility (as defined in subsec-*  
 7 *tion (aa)), but only with respect to immediate care facility*  
 8 *services (as defined in subsection (bb)), and payment*  
 9 *under this title with respect to such services provided by*  
 10 *such a facility shall be made subject to the same terms and*  
 11 *conditions as those applicable with respect to the payment*  
 12 *under this title for similar services provided by an institution*  
 13 *which meets the requirements specified in clauses (1)*  
 14 *through (9) of the first sentence of this subsection."*

15 *(b) Section 1861 of such Act is amended by adding*  
 16 *at the end thereof the following new subsections:*

17 *"Immediate Care Facility*

18 *"(aa) The term 'immediate care facility' means a pub-*  
 19 *lic or nonprofit private institution which—*

20 *"(1) is primarily engaged in providing, by or under*  
 21 *the supervision of physicians, to outpatients immediate*  
 22 *care services for the diagnosis, treatment, and care, of*  
 23 *injured, disabled, or sick persons;*

24 *"(2) maintains clinical records on all patients;*

25 *"(3) provides twenty-four-hour nursing service*

1     *with a licensed practical nurse or a registered professional*  
2     *nurse on duty at all times;*

3             *“(4) has a physician in attendance at all times;*

4             *“(5) in the case of an institution in any State in*  
5     *which the State or applicable local law provides for the*  
6     *licensing of institutions of this nature, (A) is licensed*  
7     *pursuant to such law or (B) is approved, by the agency*  
8     *of such State or locality responsible for licensing of such*  
9     *institutions, as meeting the standards established for such*  
10    *licensing;*

11            *“(6) has in effect a written transfer agreement with*  
12    *one or more hospitals having agreements in effect under*  
13    *section 1866, under which any patient of such institu-*  
14    *tion who requires other than immediate care facility*  
15    *services will be transferred to such a hospital at the*  
16    *earliest practicable time (which shall not be later than*  
17    *twenty-four hours after such patient is admitted to such*  
18    *institution);*

19            *“(7) has in effect a policy under which any patient*  
20    *who is provided services by the institution will, within*  
21    *twenty-four hours after he is admitted to such institution*  
22    *for services, be discharged or transferred to a hospital;*

23            *“(8) has in effect an overall plan and budget that*  
24    *meets the requirements of subsection (z); and*

25            *“(9) meets such other requirements as the Secre-*

1        *tary finds necessary in the interest of the health and*  
 2        *safety of the individuals who are furnished services in*  
 3        *the institution.*

4                    *“Immediate Care Facility Services*

5        *“(bb) The term ‘immediate care facility services’ means*  
 6        *services, furnished to an individual by an immediate care*  
 7        *facility, which—*

8                    *“(1) are of a type which such facility is authorized*  
 9        *to provide, and*

10                   *“(2) are for a medical condition requiring imme-*  
 11        *diate medical attention.”.*

12        *(c) The amendments made by subsections (a) and*  
 13        *(b) shall be effective in the case of services furnished on*  
 14        *and after the first day of the first calendar month which*  
 15        *commences more than thirty days after the date of enact-*  
 16        *ment of this Act.*

17        *DEFINITION OF IMMEDIATE CARE FACILITY SERVICES*

18                    *IN TITLE XIX*

19        *SEC. 198H. (a) Section 1905(a) of the Social Security*  
 20        *Act is amended by adding after clause (17) thereof the fol-*  
 21        *lowing new clause:*

22                    *“(18) immediate care facility services (as defined*  
 23        *in section 1861(bb)) which are furnished in an im-*  
 24        *mediate care facility (as defined in section 1861(aa));”.*

25        *(b) Section 1902(a)(13) of such Act is amended—*

(1) in subparagraph (B) thereof, by inserting  
 “clause (18) and” immediately after “care and services  
 listed in”;

(2) in subparagraph (C)(i) thereof, by inserting  
 “clause (18) and” immediately after “care and services  
 listed in”, and

(3) in subparagraph (C)(ii) thereof, by inserting  
 “clause (18) and” immediately after “care and services  
 listed in”.

(c) The amendments made by this section shall become  
 effective January 1, 1974.

PROVISION OF HOME HEALTH SERVICES UNDER THE IN-  
 SURANCE PROGRAM ESTABLISHED BY PART A WITH-  
 OUT A PRIOR STAY IN A HOSPITAL

SEC. 198I. (a)(1) Section 1812(a)(3) of the Social  
 Security Act is amended to read as follows:

“(3) home health services for up to one hundred  
 visits within a calendar year.”.

(2) The first sentence of section 1812(d) of such Act  
 is amended to read as follows: “Payment under this part may  
 be made for home health services furnished an individual only  
 for not more than one hundred visits during any calendar  
 year.”

(3) Section 1812(e) of such Act is amended by strik-  
 ing out “post-hospital” the second time it appears therein.

1       (b) Section 1814(a)(2)(D) of such Act is amended  
2 to read as follows:

3           “(D) in the case of home health services (i) such  
4 services are or were required because the individual is or  
5 was confined to his home (except when receiving items  
6 and services referred to in section 1861(m)(7)) and  
7 needed skilled nursing care on an intermittent basis,  
8 speech pathology or audiology services, or physical  
9 therapy, (ii) a plan for furnishing skilled nursing care  
10 or physical therapy to such individual has been estab-  
11 lished and is periodically reviewed by a physician, or,  
12 in the instance of speech pathology or audiology services,  
13 such individual has been referred by a physician, and  
14 (iii) such services are or were furnished while the indi-  
15 vidual was under the care of a physician;”.

16       (c) Section 1835(a)(2)(A) of such Act is amended to  
17 read as follows:

18           “(A) in the case of home health services (i)  
19 such services are or were required because the in-  
20 dividual is or was confined to his home (except when  
21 receiving items and services referred to in section  
22 1861(m)(7)) and needed skilled nursing care on  
23 an intermittent basis, speech pathology or audiology  
24 services, or physical therapy, (ii) a plan for furnish-  
25 ing skilled nursing care or physical therapy to such  
26 individual has been established and is periodically



1 reviewed by a physician, or, in the instance of speech  
2 pathology or audiology services, such individual has  
3 been referred by a physician, and (iii) such services  
4 are or were furnished while the individual was under  
5 the care of a physician;”.

6       (d) Section 1861(m)(2) of such Act is amended to  
7 read as follows:

8 “(2) physical, occupational, or speech therapy, and  
9 speech pathology or audiology services;”.

10           (e) Section 1861(n) of such Act is repealed.

11           (f) The amendments made by subsections (a), (b), (c),  
12 (d), and (e) shall be effective for calendar years ending  
13 after December 31, 1973.

14 *PART I—AMENDMENTS RELATING TO MATERNAL AND*  
15 *CHILD HEALTH SERVICES*

## 16 GRANTS TO REGIONAL PEDIATRIC PULMONARY CENTERS

17        *SEC. 199. (a) Section 511 of the Social Security Act*  
18   *is amended—*

19 (1) by inserting “(a)” immediately after “SEC.  
20 511.”, and

(2) by adding at the end of such section the following new subsection:

23       “(b)(1) From the sums available under paragraph  
24       (2), the Secretary is authorized to make grants to public  
25       or nonprofit private regional pediatric respiratory centers,  
26       which are a part of (or are affiliated with) an institution of

1 *higher learning, to assist them in carrying out a program*  
 2 *for the training and instruction (through demonstrations*  
 3 *and otherwise) of health care personnel in the prevention,*  
 4 *diagnosis and treatment of respiratory diseases in children*  
 5 *and young adults, and in providing (through such program)*  
 6 *needed health care services to children and young adults*  
 7 *suffering from such diseases.*

8       “(2) *For the purpose of making grants under this sub-*  
 9 *section, there is authorized to be appropriated, for the fiscal*  
 10 *year ending June 30, 1975, and each of the next four suc-*  
 11 *ceeding fiscal years, such sums (not in excess of \$5,000,000*  
 12 *for any fiscal year) as may be necessary. Sums authorized*  
 13 *to be appropriated for any fiscal year under this subsection*  
 14 *for making grants for the purposes referred to in paragraph*  
 15 *(1) shall be in addition to any sums authorized to be appro-*  
 16 *priated for such fiscal year for similar purposes under other*  
 17 *provisions of this title.”*

18       **(b)** *section 502(1) of such Act is amended by inserting*  
 19 *“(a)” immediately after “511”.*

20 **TITLE II—CLERICAL AND CONFORMING**  
 21 **AMENDMENTS TO SOCIAL SECURITY ACT**

22 **IN GENERAL**

23 *Inclusion of All Wage Level Increases in Automatic*  
 24 *Adjustment of Earnings Test*

25 **SEC. 201.** *(a) Section 203(f)(8)(B)(ii) of the Social*  
 26 *Security Act is amended by—*

(1) striking out “contribution and benefit base” and inserting “exempt amount” in lieu thereof; and

(2) striking out “section 230(a)” and inserting “subparagraph (A)” in lieu thereof.

*Inclusion in Old-Age Insurance Benefit in Certain Cases of  
Delayed Retirement*

(b) Section 202(w) of such Act is amended by inserting at the end thereof the following new paragraph:

“(5) If an individual’s primary insurance amount is determined under paragraph (3) of section 215(a) and, as a result of this subsection, he would be entitled to a higher old-age insurance benefit if his primary insurance amount were determined under section 215(a) without regard to such paragraph, such individual’s old-age insurance benefit based upon his primary insurance amount determined under such paragraph shall be increased by an amount equal to the difference between such benefit and the benefit to which he would be entitled if his primary insurance ~~amount~~ were determined under such section without regard to such paragraph.”

*Elimination of Benefits at Age 72 for Uninsured Individuals  
Receiving Supplemental Security Income Benefits*

(c) Section 228(d) of such Act is amended by inserting “and such individual is not an individual with respect to whom supplemental security income benefits are payable

1 pursuant to title XVI or section 211 of Public Law 93-66  
 2 for the following month, nor shall such benefit be paid for  
 3 such month if such individual is an individual with respect  
 4 to whom supplemental security income benefits are payable  
 5 pursuant to title XVI or section 211 of Public Law 93-66  
 6 for such month, unless the Secretary determines that such  
 7 benefits are not payable with respect to such individual for the  
 8 month following such month” immediately before the period  
 9 at the end thereof.

#### 10 *Limitations on Eligibility Determinations Under Resources*

##### 11 *Tests of State Plans*

12 (d) Section 1611 of such Act (as amended by Public  
 13 Law 92-603) is amended by striking out subsection (g) and  
 14 inserting in lieu thereof the following new subsection:

15 “(g) In the case of any individual or any individual  
 16 and his spouse (as the case may be) who—

17 “(1) received aid or assistance for December 1973  
 18 under a plan of a State approved under title I, X, XIV,  
 19 or XVI,

20 “(2) has, since December 31, 1973, continuously  
 21 resided in the State under the plan of which he or they  
 22 received such aid or assistance for December 1973, and

23 “(3) has, since December 31, 1973, continuously  
 24 been (except for periods not in excess of six consecutive  
 25 months) an eligible individual or eligible spouse with

1        *respect to whom supplemental security income benefits*  
 2        *are payable,*  
 3        *the resources of such individual or such individual and his*  
 4        *spouse (as the case may be) shall be deemed not to exceed*  
 5        *the amount specified in sections 1611(a)(1)(B) and 1611*  
 6        *(a)(2)(B) during any period that the resources of such*  
 7        *individual or individuals and his spouse (as the case may*  
 8        *be) does not exceed the maximum amount of resources speci-*  
 9        *fied in the State plan, as in effect for October 1972, under*  
 10        *which he or they received such aid or assistance for*  
 11        *December 1973."*

12        *Limitations on Eligibility and Benefit Determinations Under*

13        *Income Tests of State Plans for Aid to the Blind*

14        *(e) Section 1611 of such Act is amended by striking out*  
 15        *subsection (h) and inserting in lieu thereof the following new*  
 16        *subsection:*

17        *"(h) In determining eligibility for, and the amount of,*  
 18        *benefits payable under this section in the case of any in-*  
 19        *dividual or any individual and his spouse (as the case may*  
 20        *be) who—*

21                *"(1) received aid or assistance for December 1973*  
 22                *under a plan of a State approved under title X or XVI,*

23                *"(2) is blind under the definition of that term in the*  
 24                *plan, as in effect for October 1972, under which he or*  
 25                *they received such aid or assistance for December 1973,*



1           “(3) has, since December 31, 1973, continuously  
2       resided in the State under the plan of which he or they  
3       received such aid or assistance for December 1973, and

4           “(4) has, since December 31, 1973, continuously  
5       been (except for periods not in excess of six consecutive  
6       months) an eligible individual or an eligible spouse with  
7       respect to whom supplemental security income benefits are  
8       payable,

9       there shall be disregarded an amount equal to the greater of  
10    (A) the maximum amount of any earned or unearned income  
11    which could have been disregarded under the State plan, as  
12    in effect for October 1972, under which he or they received  
13    such aid or assistance for December 1973, and (B) the  
14    amount which would be required to be disregarded under  
15    section 1612 without application of this subsection.”

16   *Correction of Erroneous Designations and Cross-References*

17       (f)(1) Section 226 of such Act is amended by—

18           (A) redesignating subsection (a)(1) as subsection  
19       (a);

20           (B) redesignating clauses (A) and (B) of sub-  
21       section (a), as redesignated by this subsection, as clauses  
22       (1) and (2), respectively; and

23           (C) redesignating subsection (f) (as added by sec-  
24       tion 201(b)(5) of the Social Security Amendments of  
25       1972 and redesignated by section 299I of that Act)

and the subsection (f) (as enacted by section 101 of the Social Security Amendments of 1965 and redesignated by section 201(b)(5) of the Social Security Amendments of 1972) as subsections (h) and (i), respectively; and by inserting such subsections (h) and (i) (as so redesignated) immediately after subsection (g) of such section.

(2) Section 226(h)(1)(A) of such Act, as redesignated by this subsection, is amended by striking out “and 202(e)(5), and the term ‘age 62’ in sections” and inserting “, 202(e)(5),” in lieu thereof.

(3) Section 226(h)(1)(B) of such Act, as redesignated by this subsection, is amended by striking out “shall” and inserting “and the phrase ‘before he attained age 60’ in the matter following subparagraph (G) of section 202(f)(1) shall each” in lieu thereof.

(4) Paragraphs (2) and (3) of section 226(h) of such Act, as redesignated by this subsection, are each amended by striking out “(a)(2)” and inserting “(b)” in lieu thereof.

*Initial Payments to Presumptively Disabled Individuals Unrecoverable Only if Individual Is Ineligible Because Not Disabled*

(g) Section 1631(a)(4)(B) of such Act is amended by inserting “solely because such individual is determined not to

1 *be disabled” immediately before the period at the end thereof.*

2 *Technical Correction of Limitation on Fiscal Liability*

3 *of States for Optional Supplementation*

4 *(h)(1) Section 401(a)(1) of the Social Security*

5 *Amendments of 1972 is amended by—*

6 *(A) inserting “, other than fiscal year 1974,” imme-*  
 7 *diately after “any fiscal year”; and*

8 *(B) inserting “, and the amount payable for fiscal*  
 9 *year 1974 pursuant to such agreement or agreements*  
 10 *shall not exceed one-half of the non-Federal share of such*  
 11 *expenditures” immediately before the period of the end*  
 12 *thereof.*

13 *(2) Section 401(c)(1) of such Act is amended by in-*  
 14 *serting “excluding” immediately before “expenditures au-*  
 15 *thorized under section 1119”.*

16 *Modification of Transitional Administrative Provisions*

17 *(i) Section 402 of the Social Security Amendments of*  
 18 *1972 is amended by—*

19 *(1) striking out “XVI” the first time that it ap-*  
 20 *pears therein and inserting “VI” in lieu thereof;*

21 *(2) inserting “the third and fourth quarters in the*  
 22 *fiscal year ending June 30, 1974, and” immediately*  
 23 *after “with respect to expenditures for”; and*

24 *(3) inserting “the third and fourth quarters of*

1     *the fiscal year ending June 30, 1974, and any quarter*  
2     *of” immediately after “during such portion of”.*

3 *Inclusion of Title VI in Limitation on Grants to States for*  
4 *Social Services*

5 (j) Section 1130(a) of such Act is amended by insert-  
6 ing “603(a)(1),” immediately after “403(a)(3),”.

7 *Clarification of Coverage of Hospitalization for Dental*  
8 *Services*

9           (k)(1) Section 1814(a)(2)(E) of such Act (as  
10 amended by Public Law 92-603) is amended to read as  
11 follows:

“(E) in the case of inpatient hospital services in connection with the care, treatment, filling, removal, or replacement of teeth or structures directly supporting teeth, the individual, because of his underlying medical condition and clinical status, requires hospitalization in connection with the provision of such dental services;”.

18       (2) *The last sentence of section 1814(a) is amended*  
19 *by striking out “or (D)” and inserting “(D), or (E)”*  
20 *in lieu thereof.*

21       (3) Section 1862(a)(12) of such Act is amended by  
22       striking out “a dental procedure” and all that follows there-  
23       after, and inserting “the provision of such dental services if  
24       the individual, because of his underlying medical condition

1 *and clinical status, requires hospitalization in connection*  
 2 *with the provision of such services; or” in lieu thereof.*

3 *Continuation of State Agreements for Coverage of*  
 4 *Certain Individuals*

5 *(l) Section 1843(b) of such Act is amended by add-*  
 6 *ing at the end thereof the following: “Effective January 1,*  
 7 *1974, and subject to section 1902(c), the Secretary shall, at*  
 8 *the request of any State not eligible to participate in the*  
 9 *State plan program established under title XVI, continue in*  
 10 *effect the agreement entered into under this section with such*  
 11 *State subject to such modifications as the Secretary may by*  
 12 *regulations provide to take account of the termination of any*  
 13 *plans of such State approved under titles I, X, XIV, and*  
 14 *XVI and the establishment of the supplemental security*  
 15 *income program under title XVI.”.*

16 *Technical Improvement of Provisions Governing*  
 17 *Disposition of HMO Savings*

18 *(m) Section 1876(a)(3)(A)(ii) of such Act is amended*  
 19 *by striking out “, with the apportionment of savings being*  
 20 *proportional to the losses absorbed and not yet offset”.*

21 *Technical Improvement of Provisions Governing*  
 22 *Allowable HMO Premium Charges*

23 *(n) The last sentence of section 1876(g)(2) of such Act*  
 24 *is amended by—*

25 *(1) inserting “of its premium rate or other charges”*  
 26 *immediately after “portion”;*



1           (2) striking out “may” and inserting “shall”;

2 (3) striking out "(i)"; and

(4) striking out “less (ii) the actuarial value of other charges made in lieu of such deductible and co-insurance”.

6 *Applications for Assistance on Behalf of Deceased*

7 *Individuals*

8        (o) Section 1902(a)(34) of the Social Security Act  
9        (as amended by Public Law 92-603) is amended by insert-  
10       ing “(or application was made on his behalf in the case of a  
11       deceased individual)” immediately after “he made  
12       application”.

### 13 *Expansion of Intermediate Care Facility Ownership*

14 *Disclosure Requirements*

(p) Section 1902(a)(35)(A) of such Act is amended by inserting “or who is the owner (in whole or in part) of any mortgage, deed of trust, note, or other obligation secured (in whole or in part) by such intermediate care facility or any of the property or assets of such intermediate care facility” immediately after “intermediate care facility”.

21 *Technical Modification of Extended Medicaid Eligibility*22 *for AFDC Recipients*

23        (q) Section 1902(e) of such Act is amended to read as  
24 follows:

25       “(e) Notwithstanding any other provision of this title,

*Act, and (2) administrative activities carried out after December 31, 1973, which such Secretary determines are necessary to bring to a close activities carried out under such State plans.*

*TITLE III—AMENDMENT TO PART A OF TITLE  
IV OF THE SOCIAL SECURITY ACT*

*ELIMINATION OF PRECONDITION FOR FEDERAL FINANCIAL  
PARTICIPATION THAT CHILDREN IN FOSTER CARE BE  
REMOVED FROM THEIR HOMES AS A RESULT OF JUDI-  
CIAL DETERMINATION*

*SEC. 301. (a) Paragraph (1) of section 408(a) of the Social Security Act is amended by deleting the “,” at the end thereof and inserting in lieu thereof “or any other procedures authorized under the State law and approved by the Secretary”.*

*(b) Paragraph (3) of such section is amended by deleting the “,” immediately preceding “and” and inserting in lieu thereof “or any other procedure authorized under State law and approved by the Secretary”.*

*PROVISIONS RELATING TO UNEMPLOYMENT COMPENSATION*

*SEC. 401. Section 203(2) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by adding at the end thereof the following new sentence: “Effective with respect to compensation for weeks of unemployment beginning after the date of the enactment of this*

1 *Federal Payment for Cost of Inspecting Institutions Limited*  
 2 *to Expenses Incurred During Covered Period*

3 (s) Section 1903(a)(4) of such Act is amended by  
 4 striking out “sums expended” and inserting “sums expended  
 5 with respect to costs incurred” in lieu thereof.

6 *Federal Payment for Family Planning Expenditures Not*  
 7 *Limited to Administrative Costs*

8 (t) Section 1903(a)(5) of such Act is amended by  
 9 striking out “(as found necessary by the Secretary for the  
 10 proper and efficient administration of the plan)”.

11 *Exception to Limitation on Payments to States for Expendi-*  
 12 *tures in Relation to Individuals Eligible for Medicare*

13 (u) Section 1903(b)(2) of such Act is amended by  
 14 inserting “, other than amounts expended under provisions of  
 15 the plan of such State required by section 1902(a)(34)”  
 16 immediately before the period at the end thereof.

17 *Utilization Review by Medical Personnel Associated With*  
 18 *an Institution*

19 (v) Section 1903(g)(1)(C) of such Act is amended  
 20 by striking out “and who are not employed by” and by  
 21 inserting “or, except in the case of hospitals, employed by  
 22 the institution” immediately after “any such institution”.

23 *Authority To Prescribe Standards Under Title XIX for*  
 24 *Active Treatment of Mental Illness*

1       (w) Section 1905(h)(1)(B) of such Act is amended  
2 by—

3           (1) striking out “, involves active treatment (i)”  
4 and inserting “(i) involve active treatment” in lieu  
5 thereof,

6           (2) striking out “pursuant to title XVIII”, and

7           (3) striking out “(ii) which” and inserting “(ii)”  
8 in lieu thereof.

9 *Correction of Erroneous Designations and Cross References*

10       (x)(1) Section 1902(a)(13)(C) of such Act is  
11 amended by striking out “(14)” and inserting “(16)” in lieu  
12 thereof.

13       (2) Section 1902(a)(33)(A) of such Act is amended  
14 by striking out “last sentence” and inserting “penultimate  
15 sentence” in lieu thereof.

16       (3) Section 1902(a) of such Act is amended by—

17           (A) striking out the period at the end of paragraph  
18 (35) and inserting “; and” in lieu thereof; and

19           (B) redesignating paragraph (37) as paragraph  
20 (36).

21       (4) Sections 1902(a) (21), (24), and (26)(B),  
22 and the last sentence of section 1902(a), of such Act are  
23 each amended by striking out “nursing home” and “nursing  
24 homes” each time that they appear therein and inserting

1 “nursing facility” and “nursing facilities”, respectively, in  
2 lieu thereof.

3 (5) Section 1903(a) of such Act is amended by striking  
4 out “and section 1117” in the first parenthetical phrase.

5 (6) Section 1903(b) of such Act is amended by re-  
6 designating paragraphs (2) and (3) as paragraphs (1) and  
7 (2), respectively.

8 (7) Section 1905(a)(16) of such Act is amended  
9 by striking out “under 21, as defined in subsection (e);”  
10 and inserting “under age 21, as defined in subsection (h);  
11 and” in lieu thereof.

12 (8) Section 1905(c) of such Act is amended by striking  
13 out “skilled nursing home” each time that it appears therein  
14 and inserting “skilled nursing facility” in lieu thereof.

15 (9) Section 1905 of such Act is amended by redesignig-  
16 nating subsection (h) (which was enacted by section 299L  
17 (b) of the Social Security Amendments of 1972) as sub-  
18 section (i).

19 (10) Section 1905(h)(2) is amended by striking out  
20 “(e)(1)” and inserting “(1)” in lieu thereof.

#### 21 Deletion of Obsolete Provisions

22 (y)(1) Section 1903 of such Act is amended by—

23 (A) striking out subsection (c);

24 (B) striking out “(a), (b), and (c)” in subsection



1       (d) and inserting “(a) and (b)” in lieu thereof.

2       (2) Section 1905(b) of such Act is amended by striking  
3 out everything after “section 1110(a)(8)” and inserting  
4 a period in lieu thereof.

5       (3) Section 1908 of such Act is amended by striking  
6 out the last sentence of subsection (d) and subsections (e)  
7 and (f), and redesignating subsection (g) as subsection (e).  
8 *Determination of Amount of Exclusion for Disapproved*  
9 *Capital Expenditures by Institutions Reimbursed on*  
10 *Fixed Fee or Negotiated Rate Basis*

11       (z) The last sentence of section 1122(d)(1) of such  
12 Act is amended by inserting “or a fixed fee or negotiated  
13 rate” immediately after “per capita” each time that it ap-  
14 pears therein.

15 *Technical Improvement of Authority To Include Expenses*  
16 *Related to Capital Expenditures in Certain Cases*

17       (z-1) Section 1122(d)(2) of such Act is amended by  
18 striking out “include” the last time that it appears therein  
19 and inserting “exclude” in lieu thereof.

20 *Conforming Amendments to Title XI of the Social*  
21 *Security Act*

22       (z-2)(1) Title XI of the Social Security Act is  
23 amended—

24       (A) in section 1101(a)(1), by—

(i) striking out “I,” “X,” “XIV,” and  
“XVI,” and

(ii) by adding at the end of such section 1101  
(a) the following new sentence: “In the case of  
Puerto Rico, the Virgin Islands, and Guam, titles  
I, X, and XIV, and title XVI (as in effect without  
regard to the amendment made by section 301 of the  
Social Security Amendments of 1972) shall continue  
to apply, and the term ‘State’ when used in such  
titles (but not in title XVI as in effect pursuant to  
such amendment after December 31, 1973) includes  
Puerto Rico, the Virgin Islands, and Guam.”,  
(B) in section 1115, by—

(i) inserting (in the matter preceding subsection  
(a)) “VI,” immediately after “title I,”

(ii) inserting (in subsection (a)) “602,” im-  
mediately after “402,” and

(iii) inserting (in subsection (b)) “603,” im-  
mediately after “403,” and

(C) in section 1116, by—

(i) inserting (in subsection (a)(1)) “VI,” im-  
mediately after “title I,”

(ii) inserting (in subsection (a)(3)) “604,”  
immediately after “404,”

5       (2) *The amendments made by this subsection shall be*  
6 *effective on and after January 1, 1974.*

7 *Effective Dates*

8 (z-3)(1) The amendments made by subsections (g),  
9 (h), (j), and (l) shall be effective January 1, 1974.

(2) The amendments made by subsection (k) shall be effective with respect to admissions subject to the provisions of section 1814(a)(2) of the Social Security Act which occur after December 31, 1972.

14           (3) *The amendments made by subsections (m) and (n)*  
15 *shall be effective with respect to services provided after June*  
16 *30, 1973.*

(4) The amendments made by subsections (o) and (u) shall be effective July 1, 1973.

19 MODIFICATION OF PROVISIONS ESTABLISHING SUPPLE-  
20 MENTAL SECURITY INCOME PROGRAM

21        *SEC. 202. (a) Section 303(c) of the Social Security*  
22        *Amendments of 1972 is amended to read as follows:*

23 "AMENDMENT TO ACT OF APRIL 19, 1950

24       “(c) Section 9 of the Act of April 19, 1950 (64 Stat.  
25   47) is amended to read as follows:

1       “*SEC. 9. Beginning with the quarter commencing*  
2 *July 1, 1950, the Secretary of the Treasury shall pay*  
3 *quarterly to each State (from sums made available for mak-*  
4 *ing payments to the States under section 403(a) of the Social*  
5 *Security Act) an amount, in addition to the amount pre-*  
6 *scribed to be paid to such State under such section, equal to*  
7 *80 per centum of the total amount of contributions by the*  
8 *State toward expenditures during the preceding quarter by*  
9 *the State, under the State plan approved under the Social*  
10 *Security Act for aid to dependent children to Navajo and*  
11 *Hopi Indians residing within the boundaries of the State on*  
12 *reservations or on allotted or trust lands, with respect to*  
13 *whom payments are made to the State by the United States*  
14 *under section 403(a) of the Social Security Act, not counting*  
15 *so much of such expenditure to any individual for any month*  
16 *as exceeds the limitations prescribed in such section.’”*

17       *(b) Notwithstanding the provisions of section 301 of*  
18 *the Social Security Amendments of 1972 (as amended by*  
19 *subsection (a) of this section), the Secretary of Health,*  
20 *Education, and Welfare shall make payments to the 50*  
21 *States and the District of Columbia after December 31, 1973,*  
22 *in accordance with the provisions of the Social Security Act*  
23 *as in effect prior to January 1, 1974, for (1) activities*  
24 *carried out through the close of December 31, 1973, under*  
25 *State plans approved under title I, X, XIV, or XVI, of such*

1 Act, and (2) administrative activities carried out after  
 2 December 31, 1973, which such Secretary determines are  
 3 necessary to bring to a close activities carried out under such  
 4 State plans.

5 TITLE III—AMENDMENT TO PART A OF TITLE  
 6 IV OF THE SOCIAL SECURITY ACT

7 ELIMINATION OF PRECONDITION FOR FEDERAL FINANCIAL  
 8 PARTICIPATION THAT CHILDREN IN FOSTER CARE BE  
 9 REMOVED FROM THEIR HOMES AS A RESULT OF JUDI-  
 10 CIAL DETERMINATION

11 SEC. 301. (a) Paragraph (1) of section 408(a) of the  
 12 Social Security Act is amended by deleting the “,” at the  
 13 end thereof and inserting in lieu thereof “or any other proce-  
 14 dures authorized under the State law and approved by the  
 15 Secretary”.

16 (b) Paragraph (3) of such section is amended by  
 17 deleting the “,” immediately preceding “and” and inserting  
 18 in lieu thereof “or any other procedure authorized under  
 19 State law and approved by the Secretary”.

20 TITLE IV—MISCELLANEOUS

21 PROVISIONS RELATING TO UNEMPLOYMENT COMPENSATION

22 SEC. 401. Section 203(2) of the Federal-State Ex-  
 23 tended Unemployment Compensation Act of 1970 is amended  
 24 by adding at the end thereof the following new sentence:  
 25 “Effective with respect to compensation for weeks of unem-  
 26 ployment beginning after the date of the enactment of this



1 *law), the State may by law provide that the determination of*  
2 *whether there has been a State 'on' or 'off' indicator begin-*  
3 *ning or ending any extended benefit period shall be made*  
4 *under this subsection as if paragraph (1) did not contain*  
5 *subparagraph (A) thereof."*

6 *PROVISIONS RELATING TO THE PROHIBITION OR LIMITA-*  
7 *TION BY A FOREIGN COUNTRY OF EXPORTATION OF*  
8 *CRUDE OIL TO THE UNITED STATES*

9 *SEC. 402. During any period during which any foreign*  
10 *country prohibits or limits the export of crude oil or refined*  
11 *petroleum products from such country to the United States,*  
12 *there shall be no export of articles, materials, and supplies*  
13 *used in the exploration for crude oil, the extraction or refin-*  
14 *ing of crude oil, or the transportation of crude oil or refined*  
15 *petroleum products, from the United States to—*

16 *(1) such country, or*

17 *(2) any other foreign country which is exporting*  
18 *such articles, materials, or supplies to such country.*

19 *Amend the title so as to read: "An Act to amend the*  
20 *Social Security Act, and for other purposes."*

*Passed the House of Representatives April 2, 1973.*

*Attest:*

*W. PAT JENNINGS,*

*Clerk.*

*Passed the Senate with amendments November 30, 1973.*

*Attest:*

*FRANCIS R. VALEO,*

*Secretary.*



3 8095 00006366 5

93<sup>d</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 3153**

# AN ACT

To amend the Social Security Act to make certain technical and conforming changes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 30, 1973

Ordered to be printed with the amendments of the  
Senate